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Euro's Internet War Pages  
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## Euro Traders Gird for a Scramble

By Tom Buerkle  
*International Herald Tribune*

LONDON — Thorild Juncker, the head of currency trading at J.P. Morgan & Co., recalled a visit to the bank's London offices by a senior German business executive in November 1994, who told skeptical dealers they had better prepare for a single European currency. "Not only will it happen," he said, "it's the law."

The dealers were unimpressed. "We smiled and laughed and sent him home," Mr. Juncker said.

Well, dealers at J.P. Morgan and at banks across London and around the world have since had a change of heart as governments maintained their commitment to forge a monetary union, and currency and interest rates converged across Europe. Now as Europe gets ready to replace 11 national currencies with the euro over the New Year's weekend, few people are as prepared as the ones who rule the world's \$1.5 trillion-a-day foreign exchange market.

Over the past two years, banks have trimmed and restructured their dealing staffs to prepare for the end of trading in once volatile and lucrative currencies like the Italian lira and the Spanish peseta. But far from heralding the end of a freewheeling currency market that Germany's finance minister, Oskar Lafontaine, has dubbed a "casino," many bankers believe the euro will intensify trading volumes and volatility.

"The capital movements in and out of the euro are going to become more dramatic" as national stock and bond markets merge into a big, liquid pan-European capital market, said Howard Kurtz, a managing director of currency trading at National Westminster Bank PLC in New York. "The dollar-euro will become a global benchmark."

On fundamental grounds, many analysts believe the advent of the euro as a rival to the dollar as a global means of payment is inherently volatile. And Europe may be less concerned about the euro's exchange rate because the combined economy of the 11 euro countries is much larger

and less dependent on foreign trade than the individual national economies.

While the dollar has traded mostly in a range of plus or minus 15 percent against the Deutsche mark since 1991, the range "will widen out" against the euro, said Avinash Persaud, a currency analyst at J.P. Morgan.

What's more, bankers say, the euro is likely to contribute to the growing domination of the foreign-exchange market by a handful of international banks, which have the capital, technology and expertise to accept the biggest bets in the global currency game. That concentration itself is likely to reinforce the volatility of exchange rates, they say.

"It really has been those that have adapted to life beyond the euro that have gained market share," said Guy Whitaker, head of foreign exchange trading in London for Citibank, the world's largest currency trader. "Customers are more and more interested in your ability to provide coverage in those countries beyond the euro. They're looking at emerging markets and more sophisticated hedging products. That plays to the large, global, sophisticated players."

Citibank's experience is typical of the big changes that monetary union has promoted. Since the Maastricht Treaty on European Union was signed in 1992, starting the single currency process, the bank has shut its local currency trading operations across Europe, including Frankfurt, and centralized them in London. It will shut its last local outpost, a two-person Irish punt desk in Dublin, on Dec. 31. The bank's European currency team now numbers 230, including 150 in London, compared with 300 at the start of the process.

Similarly, J.P. Morgan has cut its currency trading and sales staff by about 20 percent over the past two years, to just under 200 globally. The former chief trader in Milan now heads the emerging markets currency operation in London, which handles everything from the Polish zloty to the South African rand. But these leaner teams are handling

See EURO, Page 11

## Beijing Broadens Drive on Dissent

**Long Sentences for 3 Dissidents Carry a Message to Colleagues**

By Erik Eckholm  
*New York Times Service*

BEIJING — In the last few days, behind closed doors, an ancient saying has been repeated here often: "Kill the chicken to scare the monkeys."

Everyone who heard about the punishment of three organizers of an alternative political party takes it for granted that the trials were intended as a warning, not challenge Communist Party rule.

The official media made sure the message got out even to the large majority of people who had never heard of the imprisoned men, Xu Wenli, Qin Yongmin and Wang Youhai. After months of ignoring the China Democracy Party, newspapers reported that these three had threatened national security by promoting an illegal party and were given sentences of 13 years, 12 years and 11 years, respectively.

Now, after a drawn-out week of shock and despair, those who worked openly to promote the new party — by some estimates, numbering as many as 200 — are pondering the next steps for the dissident movement and for themselves. A few organizers may still be in detention and at least one was sent to a labor camp without trial, but most remain free, if often under surveillance.

To a large degree, of course, the intimidation worked. In Wuhan, where about 30 people had established a key branch of the Democracy Party, activists have temporarily halted, said Chen Zhonghe, a party leader who spoke by phone Wednesday. "There were many people here who sympathized with our

See CHINA, Page 4

**Threat of Life in Prison Extended To Many Artists and Programmers**

By John Pomfret  
*Washington Post Service*

BEIJING — China appeared to move another step closer to full-scale political restrictions Wednesday when its state-run press published tough new rules threatening film directors, singers and computer software developers with life in prison if they attempted to "overthrow state power" or "endanger national security."

President Jiang Zemin, meanwhile, in his second hard-line speech in six days, told a gathering of security officials that their task next year was to ensure China's stability.

Mr. Jiang's speech, which dominated the national news Wednesday night, was a clear signal that the sentencing of three dissidents to lengthy prison sentences was part of a broader pattern to suppress organized dissent and bolster the Communist Party's dictatorship in the coming year.

Under the new guidelines, artists, film directors, singers, producers and computer software programmers could face stiff jail sentences if they "endangered social order" — in other words, did anything to challenge Communist Party rule.

They also could be jailed if they encouraged independence movements in Tibet, the northwestern province of Xinjiang or on the island of Taiwan.

In less than a week, starting with the trials of two dissidents on Thursday, the tenor of the state-run press and the words employed by China's leaders has taken on one of the harshest tones in years, according to Chinese sensitive to such matters.

Communist Party officials said that throughout Beijing on Wednesday, party members were called to meetings to listen to criticism of the jailed dissidents, Xu Wenli, Wang Youhai

See SIGNAL, Page 4



POWER LUNCH — Defense Secretary William Cohen, center, eating with sailors Wednesday on the Enterprise, nerve center of the Iraq air strikes. He said some troops and aircraft would be withdrawn from the Gulf. Page 5

Newspaper Prices	
Bahrain	1,000 BA
Malta	55 c
Cyprus	C 2.00
Nigeria	1,200 Naira
Denmark	17 DKr
Oman	1,250 OR
Finland	12.00 FM
Croatia	10.00 CR
Greece	8.00 Rep. Ireland
UK	£1.10
Great Britain	£1.00
Saudi Arabia	10 SR
Egypt	£5.50 S. Africa
R. India	Rs 1.00
Jordan	1.25 JD
U.S.A.	\$1.00
Kenya	1.20 KSh
U.S. Mil. (Euro)	£1.20
Kuwait	700 Fils
Zimbabwe	Zw 140.00

## Among Public, Anti-Clintonites Just 'Don't Understand the Country'

By Sam Howe Verhovek  
*New York Times Service*

NEW YORK — In virtually every major poll taken in recent weeks, the people who believe that President Bill Clinton should be removed from office are in the minority.

But they are clearly resolved in their opinion, with most saying that the president lied both under oath and in his famous early pronouncement to the nation that he "did not have sexual re-

lations with that woman," and that such lies are automatic grounds for disqualification.

And many of these people seem genuinely bewildered that more people do not see it their way.

"It's like I don't even understand what country I'm living in," said Jim Heller, a computer resource specialist in Sacramento, California. "Are we saying you can have sex with a young intern in your office, and lie about it, under oath, and it's O.K., your poll numbers

are going to go to 70 percent?"

Others are angry, as well.

"Of course he should be out of office," said Marilyn Velardi, book-

Senate urged not to hurry. Page 3.

keeper in Hendersonville, North Carolina. "He's not only undermined our judicial system; he's belittled it."

Gene Moran, a retired truck driver in Lakeland, Florida, said: "As far as

someone lying, and expecting me to have their trust afterward, it doesn't work. When you take the oath of office, you swear to uphold the law."

And still others, including some who support much of what the president has done in office, are distressed to conclude that he is morally unfit to serve.

"I voted for him twice and it grieves me to see his behavior," said Barbara, a research analyst and registered Democrat from central Kansas who declined to give her last name. "I feel anguished

about all of this. But he should not be in the Oval Office."

With the prospect of an impeachment trial looming in the Senate, Mr. Clinton's Republican opponents strongly hope that more Americans will come to make the same judgment. But for now, strong majorities say they want the president to finish out his term.

Despite Mr. Clinton's having become on Saturday only the second president

See AMERICANS, Page 3

## Ex-Head of NATO Sentenced In Belgian Bribery Scandal

**Dassault Chief Is Also Convicted**

By Barry James  
*International Herald Tribune*

BRUSSELS — Belgium's highest court sentenced the former secretary-general of the North Atlantic Treaty Organization, Willy Claes, to a three-year suspended prison term Wednesday for corruption, effectively ending his political career and casting a moral judgment against the corruption-ridden past of the nation's powerful Socialist party.

The court also convicted Serge Dassault, head of the Dassault Aviation company, for paying a bribe to obtain a contract to re-equip Belgian Air Force F-16 fighters with new electronics. It sentenced him to a two-year prison sentence, but suspended it.

Both men had pleaded not guilty.

In what political observers interpreted as a condemnation of much of Belgium's French- and Dutch-speaking Socialist elites, the court also handed down two-year suspended sentences against Guy Spitaels, 67, a former Socialist president and several times deputy prime minister, and former Defense Minister Guy Coeme, 52. Eight former aides and associates were convicted and received suspended sentences of up to two years.

The sentences mean a loss of civil rights.

The court affirmed that Dassault and the Italian helicopter company Augusta SpA paid a total of 110 million Belgian francs (\$3.188 million) into Socialist coffers to secure contracts.

Dassault was awarded the 6.5 billion franc contract to equip the F-16s over a rival bid from Litton Industries Inc. of the United States, which was preferred by military commanders. Augusta won an 11.97 billion franc contract over Aerospatiale of France, to supply 46 helicopters to the Belgian Air Force.

The court ordered Mr. Claes, 60, and three aides to repay an amount almost equivalent to the bribes.

The observers said the verdict could affect general elections next year, although in Wallonia, the French-speaking southern half of this linguistically divided country, the Socialists are solidly entrenched through patronage and bussiness.

Mr. Claes held the top NATO post for 13 months until October 1995, when he was forced to resign at the height of the Bosnia crisis because of the bribery allegations. Since then, Mr. Claes, an amateur composer and conductor, has been employed as head of the Flemish navigation board. He earlier told the court that he thought a payment of several million francs that passed through his bank account had come from his wife's personal savings.

Mr. Claes was minister of economic affairs at the time the contracts were awarded in the late 1980s. He was closely associated with the Belgian royal family, was long the leading power broker in the Dutch-speaking wing of the Socialists, and was a party co-president with the leading Walloon politician, Andre Cools.

In an exchange of correspondence that captured the personal agony that both he and Mr. Blair were experiencing, Mr. Mandelson said, "Dear Tony, I can scarcely believe I am writing this letter to you" and the prime minister responded, "Dear Peter, you will know better than anyone the feelings with which I write to you."

Mr. Mandelson, a member of Parliament representing a district in northeast England and formerly the Labour Party's director of communications, was credited with recasting the party's image to make it electable after a series of lost elections and 18 years in opposition.

See BRITAIN, Page 5



Peter Mandelson, who resigned as secretary of trade and industry.

## AGENDA

### Branson's Balloon Heads Out Over Pacific

The huge balloon ICO Global left Asia behind Wednesday and set out across the Pacific Ocean on the sixth day of its race to circle the globe. If the winds stay strong and their high-tech apparatus stays intact, the adventurers Richard Branson, Steve Fossett and Per Lindstrand could complete the 5,000-mile crossing of the Pacific Ocean in time to reach the California coast by Christmas.

They are hoping to make the first nonstop round-the-world trip by balloon. All three have tried and failed before. Mr. Fossett, an American millionaire, dumped into the Pacific last summer after traveling 13,000 miles. That distance, about half the circumference of the globe at the equator, marks the farthest a manned balloon has ever flown without putting down. The ICO Global flight has covered about half of Mr. Fossett's record distance since it took off from Morocco last Friday. Page 5.

### To Our Readers

Because of the Christmas holiday, this is a double issue of the IHT. The paper will not be published Friday. Publication resumes with the Saturday-Sunday issue.

### The Dollar

New York Wednesday 9:45 P.M. previous close

DM 1,674.8 1,572

Yen 115.975 116.705

FF 5,616 5,805.9

Pound 1,578 1,68

Dollars per pound.

### The Dow

Wednesday close percent change

+157.57 9,202.03 +1.74%

S&P 500

+24.97 1,228.54 +2.07%

Nasdaq

+51.59 2,172.57 +2.43%

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Crossword Page 3.

Opinion Pages 6-7.

Sports Pages 16-17.

The Intermarket Page 18.

The IHT on-line www.iht.com

**4 Single Females for Every Male/ The Need for Companionship, Love and, Yes, Sex Endures**

# At Eightysomething, a Good (Preferably Younger) Man Is Hard to Find

By Sara Rimer  
New York Times Service

**C**LEARWATER, Florida — "So, you want to know about my love life?" said Sophie Silverman, 85 years old and twice a widow, climbing out of the pool and settling into a lounge chair at her retirement community, On Top Of The World. She pushed her oversized purple sunglasses halfway down her nose. "It stinks."

Not that she isn't trying. Mrs. Silverman is out there, as they say in the singles world. Here is her latest personal ad in the monthly Senior Voice: "JWWF [Jewish widow female], honest, attractive, ISO [in search of] happy, healthy and physically fit soul mate, 65-75 to give me back my life. I like going out dancing, dining, travel, and would like a pleasant, romantic man for LTR [long-term relationship]." Mrs. Silverman is an optimist as well as a romantic.

Plenty of men respond to her ads. They call, she puts on her best smile and meets them for coffee at the Burger King on U.S. 19 and Sunset Point Road, a prime first-date spot, and she never hears from them again. It seems that they, too, want someone younger.

"They don't want me. I'm old and gray," said Mrs. Silverman, who happens to be a blonde who works out at the gym and looks a trim 75.

Where do bald men with arthritic knees get off acting like this? It's a universal lament among single women that all the good men are taken. At On Top Of The World, the women add, "Or dead." After age 75, according to the census, there are four single women for every single man.

The dating game never stops. Indeed, for couples who move to retirement communities, it resumes after decades on the sidelines after one spouse dies — just when the survivor is looking his or her age. The need for companionship, tenderness, love and, yes, sex, remains as important as ever, but the rules of the game have changed.

Not only women, but men, too, are racing the clock.

**A**T TOP OF The World and other Florida retirement communities in Clearwater, St. Petersburg and Tampa, it is clear that as always in matters of love and sex, there is a tremendous range in opinions and desire. But men generally want younger women more than ever and can get them because of the sharp disparity in their numbers. Plenty of women, like Mrs. Silverman, want younger men, but only rarely

do they succeed. At Bringing People Together, a Florida dating service that specializes in senior citizens, a woman who answered the phone said that while they helped men into their 90s, they tried not to take women over 78.

Yet while men who got the cold shoulder from the girls back in high school may fare better in their 70s and 80s, that lasts only until they lose their driver's license — no one takes the bus on dates down here — or lose their health. No one is eager to be stuck with someone who, six months down the road, has to be nursed.

Everyone is vulnerable. How does someone go on a date after being married to the same man or woman for half a century? Kathy Beck, who founded Senior Connection, a south Florida newspaper that publishes personal ads, says her office is barraged with questions by nervous clients: What should they say? How should they act? When do they sleep together?

Kenneth Bruwelheide, 79, made his way to the Senior Connection office in Brandon, near Tampa, five years ago, shortly after the death of his wife of 52 years, Betty.

"I was very awkward," recalled Mr. Bruwelheide, a retired plumber. "I broke down and cried right in front of them. I felt like I was cheating on my wife."

Mr. Bruwelheide placed an ad modestly describing himself as a widowed male, in his mid-70s, in search of a companion who likes bingo and short trips.

"I got 57 answers," he said. "There's a lot more widows than widowers. I think it's a shame. The men die too young, the women sit there sorry, hurting, nobody to help them."

One letter he answered was from May McCulloch, a widow four years his junior. A year and a half ago, Mrs. McCulloch moved in with him.

"I call her Dear," Mr. Bruwelheide said. "I have somebody to talk to, somebody to say, 'What are we going to have for supper?' I cook half the time, she cooks half the time."

Is it love? "I'm a little slow on that," he



Dottie Walton, who would not give her age, dancing with Bernard Levinson, 87, at a retirement community in Florida. They have been dating for about a year.

said. "When I say 'love,' I'm thinking of Betty."

Every Wednesday afternoon in St. Petersburg, hundreds of men and women, many in their 70s and 80s, gather at the tea dance at the Coliseum, which bills itself as the finest climate-controlled ballroom in the South. As couples fox-trotted to the music of an orchestra,

women. Mrs. Wohl, a retired social worker who declined to give her age, said she had been on one date since her husband died nearly seven years ago.

"Yeah, it was a bummer," she said. "The movie was interesting. He was a drip."

Florence, a widow who revealed her age (77) but asked to be identified by only her first name (she thought her family might deem it inappropriate for her to be discussing such matters), recalled the humiliation of her dinner with an 83-year-old man who told her "all about how he wanted to date this younger woman."

What would be her idea of the perfect man at this point in her life?

Florence said she had taken care of her husband for 14 years before he died. She had loved him, but it is not something she wants to go through again. She smiled slyly, then said, "I would like a note from his doctor stating that he's healthy — or if he isn't, that he only has six months to live."

Her companions whooped with laughter. They could have been any group of women anywhere, indulging in a favorite pastime: trashing men. They giggled over the single men at On Top Of The World: "All they want is a nurse with a purse."

Charles Speaker, in a long flowered skirt, lace blouse and pearl earrings, waited to be asked to dance. Her husband died five years ago.

"I don't want a marriage, just a companion," said Mrs. Speaker, who allows only that she is past 65. "Someone who's loyal."

It does not seem like a lot to ask, especially for Mrs. Speaker, a vivacious, striking brunette who can whirl gracefully around the dance floor for hours.

She has been dating someone, but she is well aware that she does not have her pick of men the way she did in her youth. "The men want

younger women," she said, "but what are they going to do with them?"

The Singles Club at On Top Of The World is a poor place to meet men: Its 200 members are overwhelmingly women. But some women, of course, tried to beat the odds.

"When I moved to Top Of The World six years ago, I said to my friend Irene, 'What about men?' " said Sally Pearl, 63, a retired junior high school teacher from Long Island who is divorced. "She said, 'Don't even think about it.'"

Yet both Mrs. Pearl and her friend, Irene Hartwell, 83, found companions.

Mrs. Pearl was talking about men and dating over fruit and chicken salads at a restaurant the other afternoon with Joyce Wohl, a past president of On Top Of The World's Singles Club, and three other

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But behind the brave and brittle wisecracks, they were serious.

"I would love to fall in love again," Nancy Nazar volunteered.

Florence nodded, and said, "So would I."

It is not that they necessarily want to marry. Indeed, after years of taking care of husbands and children, the widows of On Top Of The World and other retirement communities make it clear that they relish their independence.

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## THE AMERICAS

## Gore Emerges As Point Man In Defending The President

By Terry M. Neal  
and David S. Broder  
*Washington Post Service*

**WASHINGTON** — Vice President Al Gore has emerged as President Bill Clinton's chief defender in public and behind the scenes, ratcheting up rhetorical attacks on the Republicans and taking the lead in making personal appeals to members of Congress, past presidents and other influential politicians.

Instead of distancing himself from a president whose personal reputation has suffered grave damage, Mr. Gore has latched himself closer than ever to Mr. Clinton.

These stepped-up efforts have come while the first lady, Hillary Rodham Clinton, has lowered her profile and restrained her public comments in defense of her husband.

One of Mr. Gore's strongest statements came Saturday at the White House, just hours after the House voted to impeach the president.

The vice president alternately echoed the first lady's call a day earlier for national reconciliation and excoriated the Republican Congress for what he termed excessive partisanship.

"What happened as a result does a great disservice to a man I believe will be regarded in history books as one of our greatest presidents," Mr. Gore said as a phalanx of Democratic House members cheered behind him.

Political observers — including many Republicans — say that Mr. Gore has handled himself well and that it is unlikely he will suffer in a 2000 presidential bid because of his close association with Mr. Clinton. The public's continued high approval of the president's job performance and anger at Republican efforts to impeach him have cushioned Mr. Gore's political risks and perhaps even enhanced his image.

"Who would you want as president, Al Gore or George Stephanopoulos?" asked Michigan's national Democratic committeeman, Joel Ferguson, who ran Jesse Jackson's presidential campaign in 1988. He referred to the president's former press secretary, now a television commentator, who has been critical of Mr. Clinton. "You'd want someone loyal, Al Gore is loyal from conviction."

Tony Quinn, a Republican consultant from California, said that Mr. Gore was politically safe as long as he does not fight lesser forms of punishment, such as censure.

"Bill Clinton is pretty popular in California, and this state has to be the fulcrum for Gore's campaign," Mr. Quinn said. "The most anti-Clinton conservatives have no animus toward Gore that I can see."

### AMERICANS: Anti-Clintonites Just 'Don't Understand Country'

Continued from Page 1

ever impeached, his job-approval ratings, as measured in a New York Times/CBS News poll last weekend, climbed 6 points from the week before, to 72 percent, among his highest ratings ever in office.

Many of the people interviewed for this article, who were in the random group of Americans selected for that poll, conceded that they have never liked Bill Clinton.

"From the get-go, I've thought he's a draft-dodger, leftist, liar, sick," said Gary Holzhauser, 58, a computer programmer in Tishomingo, Missouri. "Just hearing him makes me mad."

The group that favors Mr. Clinton's removal from office is overwhelmingly white, slightly more male than female and heavy with people who describe themselves as Republicans and conservatives.

Moreover, many who disapprove of many aspects of the president's conduct say they are bothered that, in the end, the question of his fitness has been boiled down to the matter of his relationship with Monica Lewinsky.

Those contributions from the people in China, that bothers me more than the Monica stuff," said Tracy Hubbard, 36, a homemaker in New York. "That should have been the issue, not Monica."

At least one Clinton critic said he did not care "how they got him," likening

the president to Al Capone and other mobsters who were brought down on tax-evasion charges rather than the more deadly crimes they were accused of.

The group is also represented by people of all political persuasions who say they have struggled with what message the country would send to its children by allowing Mr. Clinton to remain in the top office in the nation.

"It's pretty hard to explain to young people why it's O.K. for the leader of your country to lie, but not for anyone else," said Raymond Bohn, 34, a public school teacher from Brownsburg, Texas.

"What are the young people going to read in the history books?" asked Karla O'Rourke, 60, a herbalist from Ramsey, New Jersey, and self-described political independent. "It's the man's integrity. He lied. If I cannot trust him to uphold the values that we instill in our youth, how can I trust him in any other issue?"

Sunny Pak, 42, a psychological counselor in San Diego, also said she thought Mr. Clinton had lost all moral authority to lead, and should be forced from office.

"He pointed his finger and bit his lip and narrowed his eyes and said he didn't have a sexual relationship," she said. "And he's a bald-faced liar."

Sammy Paul, 52, a home contractor in Seattle, recalled he had once had to cancel his son's ski trip because of an incident in which his son was untruthful.

"As a father trying to raise a son," he

said, "it would be real easy for me to just pretend I didn't find out about that and let him go off and have a good time? But what kind of father would I be if I did that?"

"Now, Clinton is the highest law-enforcement officer in the land," Mr. Paul added. "He took an oath. He swore to uphold and defend the constitution."

Like many others interviewed, Mr. Paul felt that Clinton had not repented for lying to the nation.

"I've listened to all his apologies, and they've turned me more against him," he said.

"The only thing he's apologizing for is, 'Gee, I'm sorry I got caught,' and 'Gee, I'm so sorry you have to see me this way.' I still haven't heard him say, 'I lied.'"

Many of those interviewed say they well understand the legal distinction between saying something under oath and saying it before television cameras while not under oath. But in general, they said they believed that Mr. Clinton deserves removal for lying in either instance, and said that they believed that such lies amounted to a "high crime," the standard set for impeachment under the constitution.

"I don't know the precise definition," said Dan Hinchen, 39, a civil engineer in Cherokee, Iowa; and, in fact, the constitution does not offer one. "But he let down the American people by lying to them. When he lies like that to the people, that's a high crime right there."

**DOWNSIZING ON THE NORTH POLE** — The lower half of a Santa Claus mannequin protruding from a trash can at the entrance to a landfill in Hillsboro, Oregon, after workers disposed of the truncated dummy.

Don Ryan/The Associated Press

**POLITICAL NOTES**

**TV Story of the Year: Monica**

**NEW YORK** — The Monica Lewinsky scandal was by far the most-covered story on evening news broadcasts this year: ABC, NBC and CBS did more stories on the scandal than the combined total of the Asian and Russian economic crises, the standoff with Iraq, the bombing of U.S. embassies in Africa, the United Auto Workers strike, the Middle East peace process, nuclear testing in India and Pakistan and John Glenn's return to space, the Center for Media and Public Affairs said Tuesday.

"We thought that nothing could top the O.J. Simpson story and this proved us wrong," said Robert Lichter, president of the Washington-based think tank.

Through Dec. 15, the three evening news broadcasts did 1,502 stories about the scandal, eating up just under 43 hours of time, the group's study said.

The second biggest TV story of the year, the weapons inspection standoff with Iraq, generated 502 stories and 13 hours worth of time.

Despite the preponderance of Lewinsky coverage, ratings indicate that many viewers are still interested. CNN recorded its highest one-day ratings of the year on Saturday during the House vote to impeach Mr. Clinton.

NBC's "Nightly News," won the Monica broadcast derby, devoting nearly 15½ hours of coverage to it this year. ABC had 14 hours and CBS spent 13½ hours on the story, the center said.

**And in Another Scandal ...**

**WASHINGTON** — With harsh words for former Commerce Department officials, a federal judge has ordered a court-supervised expanded document search in a suit alleging that the department sold trade mission slots for political donations.

Judge Royce Lamberth of U.S. District Court suggested Tuesday that political animosity between government attorneys and the conservative plaintiffs at Judicial Watch was to blame for the stand-off in the four-year-old case.

But he compared the legal maneuverings by former Commerce Department officials to the behavior of "hooligans" and "scoundrels."

As part of its suit, Judicial Watch alleges that the late Commerce Secretary Ron Brown, who was killed in a 1996 plane crash, used trade-mission invitations to raise large campaign donations for Democrats.

**Away From Politics**

• New York's highest court struck down a portion of the state's death penalty law because it might unfairly encourage guilty pleas from defendants to plea bargain for life-in-prison sentences in exchange for not having to face a death penalty prosecution.

• Laws prohibiting murderers, rapists and other felons from buying weapons should be broadened to cover people who have been convicted of petty theft, drunken driving or any other misdemeanor offense, according to a study published in the *Journal of the American Medical Association*.

• Gasoline stations, school districts, fire departments and trash collectors that store fuel in potentially leaky underground tanks face fines of up to \$11,000 a day unless they shut them down.



## House Foe of Clinton's Argues Against Haste

**Study the Evidence, DeLay Urges Senators**

Compiled by Our Staff From Despatch

**WASHINGTON** — With the momentum for punishment short of removing President Bill Clinton apparently building in the Senate, his most deadly opponent in the impeachment battle in the House of Representatives said Wednesday it was premature to shortcut a Senate trial and rush to judgment.

The Republican House whip, Tom DeLay of Texas, said the House had adopted two articles of impeachment against Mr. Clinton "due to the overwhelming evidence against the president." Mr. DeLay said the tide could turn swiftly against the president if senators carefully read the evidence.

"Before people look to cut a deal with the White House or their surrogates who will seek to influence the process," he said, "it is my hope that one would spend plenty of time in the evidence room. If this were to happen, you may realize that 67 votes may appear out of thin air."

The Republicans hold 55 seats in the Senate, and the Democrats 45. The constitution requires the approval of two-thirds of the Senate, or 67 votes, to convict and remove a president. A number of senators have suggested that a long trial be avoided because there never would be votes to convict Mr. Clinton of "high crimes and misdemeanors."

Mr. DeLay advised senators, "There are realms of evidence that have not been publicly aired and are only available to members." He began rounding up House votes for impeachment at a time when several dozen Republican moderates had not declared their intentions. Virtually all of them ended up voting for two articles of impeachment, accusing Mr. Clinton of perjury and obstruction of justice.

Mr. Clinton visited a community center in Baltimore on Wednesday to highlight programs that help homeless people find a place to live and rebuild their lives.

He received support from Maryland's Democratic political leaders, who called for an end to the partisanship that marked Mr. Clinton's impeachment last week.

"The divisiveness we have seen in these past few weeks is unhealthy for our country and our democracy," said Senator Paul Sarbanes, Democrat of Maryland. Addressing Mr. Clinton, he said, "We need you at the helm."

The mood at the White House was far from grim despite the historic import of events and some anxious eyes on the impeachment process.

"There was some anger and frustration leading up to the vote that this was actually going to happen, but now some people just feel relieved," a White House official said on condition of anonymity.

"Now that we move out of the House, where it was so bitter, so partisan and so unfair, now it's moving into the Senate, there is hope that it will be more fair."

Many senators were exploring the idea of censoring Mr. Clinton but allowing him to finish out his term. But getting to that point is likely to be difficult and is by no means certain.

Senator Christopher Dodd, Democrat of Connecticut, said senators should try to resolve the issue quickly.

"At this point, based on some of the public statements," Mr. Dodd said to the NBC, there are not enough votes to convict Mr. Clinton. Rather, he said, there is a "strong sentiment for censure."

"Why put the country through a trial that isn't going to result in a conviction?" he asked.

"I know Tom DeLay has been talking with members of the Democratic side and I presume and am told that Trent Lott is talking to his side," Mr. Dodd said, referring the minority and majority leaders in the Senate.

Representative Lee Hamilton, an Indiana Democrat, said he had been talking with moderate Republicans and they insisted on two conditions for a censure settlement: that Mr. Clinton acknowledge he lied and that he pay damages.

While interviews with senators, their aides and others indicated that the momentum for punishment short of removing Mr. Clinton had gathered strength in the Senate, hopes for censure could easily fall apart through missteps by the White House or disagreements over the critical details of a resolution.

Asked if there was an "emerging consensus" for censure, Senator

Daschle said, "I think there is one, at least the potential for it, but there is a lot of uncertainty about when it would occur and what it would say."

Mr. Daschle said he and Mr. Lott, the majority leader, had conducted "a number of discussions" over how to proceed. "We are discussing it with our caucuses," he said, "and attempting to construct a schedule that will allow an expeditious consideration of the articles of impeachment early next year."

There also are conversations under way across party lines. Out of all of the talks has come a consensus that a Senate trial will almost certainly be started.

"I believe there is a consensus that a trial must start, of respect for constitutional precedent and respect for the House," said Senator Kay Bailey Hutchison, Republican of Texas. "From that point on, I think all the options are open."

Preliminary soundings among the 45 Democratic senators indicate that there are no certain votes to remove Mr. Clinton from office and strong support for some alternative punishment.

The Republican situation is more murky. No senators have said they would vote to convict, although there are a number of conservatives who are believed to favor that outcome. Some senators have said they want the trial to go to its conclusion.

But the fact that somewhere in the neighborhood of a dozen Republican senators have talked generally about censure suggests that a growing proportion of the 55 are looking for ways to avoid a long Senate trial that could further damage the party's image with the public.

(AP, AFP, Reuters, WP)

## Congressman Paid Aide for Dual Function

By Juliet Eilperin  
and Howard Kurtz  
*Washington Post Service*

**WASHINGTON** — Representative Dan Burton, Republican of Indiana, has approved nearly \$500,000 in payments and salary to his campaign manager, a part-time clown, who appeared simultaneously on his political and official House payrolls.

Such dual employment can be problematic, which prompted the House ethics committee to recommend earlier this year that staffers doing both government and campaign work carefully document their time. It is against the law for lawmakers to use their office budgets to subsidize their campaigns, or vice versa, and most Capitol Hill staffers take time off to work on their bosses' campaigns.

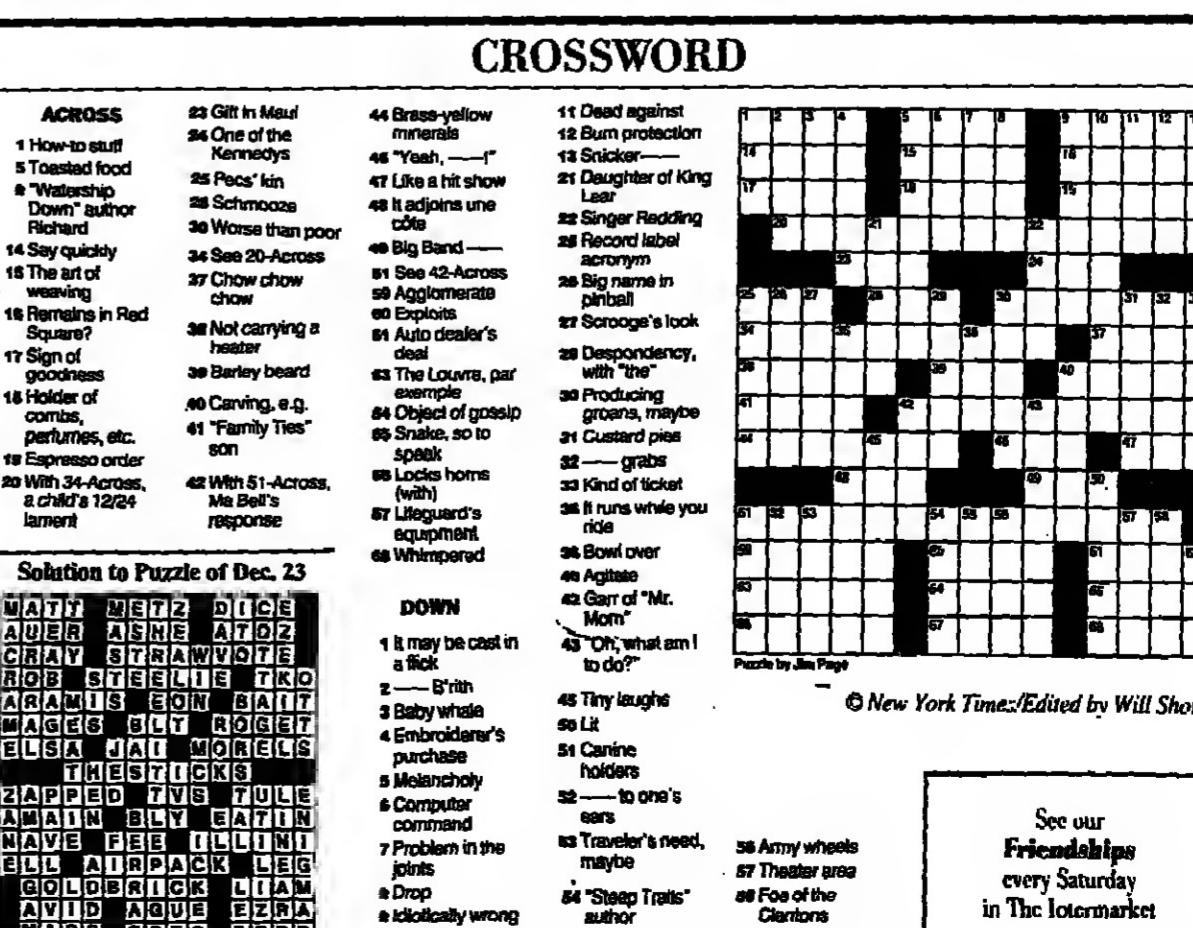
In Mr. Burton's case, the dual payments to Claudia Keller, mostly over the last nine years, were often made during the same periods, according to federal records. Last year, for example, Ms. Keller received almost \$22,000 for working at Mr. Burton's Indianapolis and Greenwood district offices an average of two days a week, along with nearly \$44,000 for her full-time campaign job.

The Burton campaign has also paid Ms. Keller \$250 a month to rent office space in her Lawrence, Indiana, home, by declaring it the campaign headquarters. And Ms. Keller has received more than \$50,000 in campaign-related expenses, including payments for appearances by her "Buttons & Bows" clown service.

Mr. Burton has been one of the sharpest congressional critics of President Bill Clinton's campaign financial practices. His own expenditures, first reported in the Indianapolis Star and expanded upon in the on-line magazine Salon, highlight a pattern of campaign spending that has raised concerns among congressional watchdog groups.

A spokesman for Mr. Burton, John Williams, did not dispute the expenditures, but described Ms. Keller's work as a legitimate part of the congressman's campaign and official efforts. He said Ms. Keller was careful to keep both sets of activities separate.

## CROSSWORD



## INTERNATIONAL

# NATO Warns Both Sides As Kosovo Tensions Rise

**Stage No Attacks, Serbs and Rebels Are Told**

The Associated Press

PRISTINA, Yugoslavia — Concerned with the fast-deteriorating situation in Kosovo, two top NATO officials warned both sides in the conflict Wednesday against launching more attacks.

The North Atlantic Treaty Organization's top commander for Europe, General Wesley Clark of the United States, complained of "increasingly aggressive" Serb military and police activities."

Speaking to reporters in neighboring Macedonia, he said that the alliance was watching closely to ensure that the Yugoslav president, Slobodan Milosevic, kept his promises under an October agreement aimed at halting bloodshed in the secessionist Serbian province.

In Brussels, the NATO secretary-general, Javier Solana Madariaga, said that the escalating violence and recent killings posed "a grave risk to the cease-fire."

"We remain fully vigilant and ready to act," he said.

## Italy Denies Seeking Refuge for Kurd Chief

The Associated Press

ROME — The Italian prime minister denied Wednesday that his government was involved in negotiations to send a Turkish Kurdish rebel leader, Abdullah Ocalan, to a third country, saying that he was free to go where he pleased.

Italian and Turkish newspapers have recently published reports that Mr. Ocalan, whose detention here Nov. 12 created an international incident, was about to be expelled from Italy.

The list of countries mentioned includes Estonia, South Africa, Libya, Pakistan and South Africa.

But Prime Minister Massimo D'Alema said that a ruling by Rome's appeals court last week to lift all restrictions on Mr. Ocalan made him free to choose his own destiny.

"The most probable outcome is that Ocalan will leave the country," Mr. D'Alema said during a year-end news conference.



FURLough FOR A TERRORIST — Patrick Magee, the IRA terrorist who blew up the Brighton Hotel in England during the Conservative Party conference in 1984, being released Wednesday for a Christmas furlough from the Maze Prison in Belfast. In all, 170 paramilitary prisoners were freed for the holidays.

## BRIEFLY

### Germans Seize Train Suspect

BONN — The police have arrested a man suspected of trying to extort 10 million Deutsche marks (\$6 million) from the German railroad with acts of sabotage, officials said Wednesday.

Aided by air force reconnaissance planes, the police had been chasing the blackmailer for several weeks amid a growing holiday-season scare for railroad employees and passengers. Helicopters and 400 extra federal border police were also ordered out to patrol rail lines.

The suspect was arrested late Tuesday at an autobahn rest area in Bavaria, the Austria Press Agency reported. He had been en route to a ransom money handover in neighboring Austria, where the police were poised to seize him, the report said, quoting the Austrian Interior Ministry. (AP)

### VW Begins Nazi-Era Payments

HAMBURG — A fund set up this year by Volkswagen to compensate its former slave laborers from the Nazi era has made its first payments, the German automaker said Wednesday.

The 20 million Deutsche mark (\$12 million) fund transferred 10,000 DM each to 17 former slave laborers in Poland and 31 in the Netherlands, it said.

The fund recently took out advertisements in 22 countries to publicize the payments and tell how to apply. VW estimates that 17,000 forced laborers worked in its factories from 1941 to the end of World War II in 1945, although others say that the number was higher. (AP)

### Short Audience for the Pope

VATICAN CITY — Looking wan after a bout with the flu, Pope John Paul II held a general audience Wednesday that was much briefer than usual.

Apparently to allow himself more time to rest before his Christmas Eve midnight Mass will keep him up till the wee hours of Friday, the 78-year-old pontiff broke with his tradition of meeting separately with fellow Poles.

With the aid of a cane, the Pope walked slowly into the auditorium at the start of his customary weekly audience with the public. His speech and greetings in several languages were among the shortest in recent years and, in all, the audience lasted about 50 minutes. That was roughly half the length of his usual meetings with the public. (AP)

## CHINA: The Message Is Clear

Continued from Page 1

goals, and might eventually have joined our party," said Mr. Chen, 50. "But now, after these trials, it's impossible. Most people wouldn't dare to get involved."

Certainly the authorities have made it clear that they will do whatever it takes to shift the new party, which had become the focal point of the democracy movement.

Still, experience suggests that activists will soon find new ways to challenge the system.

As recently as January 1997, after long prison sentences had been given to the prominent dissidents Wei Jingsheng and Wang Dan, the U.S. State Department said in a report that no active dissidents remained in the country.

For most of 1997 it seemed that way, but toward the end of the year, as Mr. Wei was sent into exile and Chinese-American relations warmed, activists sensed a slight easing of controls and began to speak out again.

People like Mr. Xu, 55, and Mr. Qin, 44 — both of whom had previously served long prison terms — began making statements to colleagues and the foreign press. Then this year, as President Bill Clinton visited China in June, Wang Youcai founded the Democracy Party.

Almost overnight, hundreds of people appeared who seemed willing to risk everything for the cause.

Even Wednesday, as their colleagues were heading for prison, some Democracy Party members spoke bravely about carrying on.

In Beijing, a leading organizer, Gao Hongming, said: "The China Democracy Party will continue working for a free, democratic China and it will do so in a way that is public, rational and nonviolent."

Mr. Gao, 48, recently spent two years in labor camps for distributing leaflets critical of the 1989 crackdown on student demonstrators in Tiananmen Square. The last week's trials, he acknowledged,

## SIGNAL: Wider Crackdown

Continued from Page 1

and Qin Yongmin. The three, all veterans of movements in China for democracy, were jailed for attempting to establish the country's first opposition party, the China Democracy Party. Mr. Xu was sentenced to 13 years, Mr. Qin to 12 years and Mr. Wang to 11.

The Communist Party has handled their cases in a fundamentally different manner than previous crackdowns. For one, it has publicized details, informing its citizenry that the defendants tried to form an opposition party and received funds from an unidentified foreign organization.

That has raised the eyebrows of some Chinese readers. "They have never acknowledged that before," said a Beijing activist about a report that mentioned the attempt to form an opposition party. "It's a breakthrough of sorts."

Second, the party-run press has also issued editorials and articles that attempted to justify the crackdown. One article compared Mr. Xu's jailing favorably to American laws against treason.

The rules issued Wednesday by the Supreme People's Court underscore a fear of some Chinese that the crackdown against dissidents is part of a broader cultural tightening.

So far, the Communist Party has drawn a distinction between organized dissent, which it has crushed, and the increasing openness of its films, books, plays and television shows.

"But that could change very suddenly," said a Chinese cultural official.



A pro-democracy activist in Hong Kong burning portraits of President Jiang Zemin of China on Wednesday to protest the imprisonment of three dissidents on charges that they subverted state power.

had "greatly slowed the development of a truly national party." But, he said, "because of the achievements of the last six months, the mechanisms for its establishment are in place."

For now, Mr. Gao said, activists should work quietly to spread democratic ideas at the local level. "The government will feel it can keep an eye on us," Mr. Gao said. "I don't think they'll throw us all in jail."

The harsh crackdown has had the opposite of the intended effect on at least one person.

Jia Wei, a 36-year-old former high school teacher in the northeastern city of Changchun, said that he has believed in democracy since he was a teenager. But he never became involved in political organizing, although he had recently been intrigued enough by the Democracy Party to meet with Mr. Xu in Beijing.

"This terrible repression has been a massive shock to my spirit," he said of the sentences. "Now I feel the work of Xu Wenli has to be continued for the good of society."

"Direct political activities may be necessary," he added. "And now I have to contemplate the possibility of spending time in prison."

A big unknown for the dissident movement is the extent to which younger people may become involved. Virtually all those who became declared members of the Democracy Party were veterans of either the Democracy Wall movement of the late 1970s or the student-led demonstrations in 1989. Certainly, many current students and other young people are skeptical about the Communist Party but few have shown a willingness to risk their futures by openly confronting it.

This could change in the event of prolonged economic hardship or other social traumas, which helps explain why President Jiang Zemin, in a speech last week, said China must "fight against factors disrupting social stability and tip them in the bud."

Chinese scholars say the government is especially sensitive about dissident political activities now because of growing unemployment and frequent protests by unpaid workers. The party's ultimate nightmare is a joining of democracy and labor movements against it.

Any threat to the supremacy of the Communist Party is, by definition, a threat to national security. This gave officials a clear way to explain why the latest trials did not violate the International Covenant on Civil and Political Rights, which China has signed but not ratified.

The police used water cannon and tear gas during the raid, which ended a 40-day standoff between rival monks at Chogye temple, the spiritual home to 8 million Buddhists in a nation of 44 million people.

About 20 police and monks were injured, some seriously, and 100 monks and followers were arrested.

The police moved in after court officials twice failed to serve an expulsion notice to about 100 dissident monks who later evicted them from a temple building since Nov. 11.

Hundreds of helmeted riot police firing tear gas and using water cannons entered the building. Dozens of gray-robed monks fought back, directing water from hoses and throwing firebombs, rocks and furniture at the police.

A shaved-headed monk emerged on a balcony, took off his shirt and slashed his belly with a knife to protest the police action. He was taken inside, bleeding.

Five riot police were injured, two seriously, when they fell from a mechanically driven ladder transporting them to the roof of the building.

Religion experts said the police action was not expected to resolve internal conflicts in the order. For years, Chogye has been plagued by leadership struggles between rival monks.

A Seoul civil court, acting on a lawsuit filed by ousted mainstream monks, had ordered the renegades to move out of the temple by Saturday. The occupants had refused to heed the order.

## BRIEFLY

### Trial of Anwar Hears Eculpatory Evidence

KUALA LUMPUR — A defense lawyer in the sex and corruption trial of Anwar Ibrahim read out excerpts Wednesday of a conversation he said was tape-recorded in London and proved a conspiracy to oust Malaysia's former finance minister.

But Judge Augustine Paul ordered the media not to print excerpts of the recording until he decided Thursday whether the cassette tape could be admitted as evidence.

"I make a ruling to the press not to publish extracts of this conversation until tomorrow," Judge Augustine said after prosecution lawyers appealed for a media blackout of the tape.

A defense lawyer, Gurbaahan Singh, said the tape supported Mr. Anwar's argument that he was a victim of a political conspiracy that culminated in his dismissal and arrest in September.

Mr. Anwar is on trial in the capital's High

Court on five counts each of sodomy and corruption. He denies the charges, saying they are part of a plot by Prime Minister Mahathir bin Mohamad's friends to destroy his political career. (Reuters)

### Pressure Rises on Suharto

JAKARTA — Indonesian authorities opened the court-martial Wednesday of special forces troops linked to former President Suharto's son-in-law, and stepped up the pressure on Mr. Suharto himself over graft allegations.

Attorney-General Andi Ghali said that Mr. Suharto would soon be named as a suspect in a corruption case involving a tax-free car manufacturing project headed by his youngest son.

"The investigation all leads to corruption," Mr. Ghali said. "The country is suffering losses because of the tax problem resulting from the national car project."

Asked if Mr. Suharto would be as a suspect soon, Mr. Ghali said: "Yes." (Reuters)

### Nepal Leader Is Named

KATMANDU, Nepal — Nepal's king appointed Girija Prasad Koirala as prime minister Wednesday, three days after he lost a majority in Parliament and then cobbled together another coalition.

Mr. Koirala came back to power with the help of a Communist group, and announced Wednesday that the government planned to hold general elections by April 13. (AP)

### Japanese Honor Tojo

TOKYO — A half-century after they were hanged by the Allies, the wartime Japanese leader Hideki Tojo and six other convicted war criminals were quietly honored Wednesday in a memorial service in Tokyo.

More than 600 people gathered for a three-hour service at the Kudan Kaikan hall in central Tokyo, a hall spokesman said. The memorial was sponsored by a group planning to build a permanent hall for those executed. (AP)

## Independent In Turkey to Form Cabinet

The Associated Press

ANKARA — President Suleyman Demirel asked an independent lawmaker in Turkey's cabinet to form a new government Wednesday after a veteran leftist leader failed to gather enough support in Parliament.

Mr. Demirel picked Yilmaz Erez, the industry and trade minister, in hopes he could draw wide support from Turkey'sickling political parties.

Mr. Erez said he would search for consensus, asserting, "I am at an equal distance to all of the parties."

"Today is not a day for political squabbles and small political calculations," he said. "Turkey has no more patience for a government crisis."

The government of Mesut Yilmaz, who is now acting prime minister, collapsed last month in a vote of no-confidence over a corruption scandal.

Bulent Ecevit of the Democratic Left Party abandoned efforts to form a new government Monday after failing over a three-week-period to receive enough backing for a majority in Parliament.

Mr. Demirel turned to an independent lawmaker instead of a party leader after most parties, unable to overcome their differences to form alliances, said they would support a government led by a low-profile figure until elections in April.

The president bucked the long-standing tradition of designating the leader of the largest party in Parliament as prime minister, which would have brought the Islamic-oriented Virtue Party to power.

The military would have been certain to oppose such a government. Turkey's generals pressured the Welfare Party, the predecessor of the Virtue Party, out of power in June 1997, accusing it of trying to raise the profile of Islam in society.

Mr. Erez appears to have been chosen in part because he sided with the secular establishment. He resigned from a ministerial post that he held during an earlier coalition between his center-right True Path Party and the Welfare Party in April 1997, two months after the military warned the government to abide by Turkey's strictly secular constitution.

On Tuesday, Turkey's top general, Huseyin Kivrikoglu, issued a statement reminding the country that the armed forces were committed to protecting secular traditions.

Mr. Erez, 54, is of Kurdish origins. Kurdish rebels have fought a 14-year guerrilla war for autonomy in Turkey's southeast. Mr. Erez raised controversy in 1995 when he advocated social and economic measures to improve life in the Kurdish-dominated southeast. Lately, the military itself has supported the idea.

Turkey has had other prominent government leaders of Kurdish origins, including the current speaker of the Parliament, Hikmet Cetin, and a late president, Turgut Ozal.

Mr. Erez, a businessman-turned-politician, must now undergo a vote of confidence in Parliament to determine whether he can command a majority of votes. He said he would start negotiations on a new coalition Monday.

## Le Pen's Party Expels Its No. 2

And 6 Others

Compiled by Our Staff From Dispatches

SAINT-CLOUD, France — A feud within the far-right National Front intensified Wednesday when the executive committee formally expelled the party's No. 2 leader.

"The National Front is not a free-for-all," the party's secretary-general, Bruno Gollnisch, said in announcing the expulsion of Bruno Megret and six other leaders of the party.

In face of the seriousness of those actions, the executive bureau, holding a disciplinary meeting, took that painful but firm decision," he said at party headquarters here in this western Paris suburb.

The others expelled were Serge Martinez, Daniel Simonpietri, Jean-Yves Gallou, Franck Timmermans, Philippe Olivier and Pierre Vial.

Mr. Megret and the six others were suspended from the party this month after challenging the party's founder and leader, Jean-Marie Le Pen. The crisis within the National Front was centered on Mr. Megret's call for a special party congress to heal divisions. Mr. Le Pen saw the move as a trap to unseat him.

The rebels refused to attend the executive committee meeting, at which they were expected to be formally expelled from the party, dubbing it a "Moscow-style show trial."

Independent  
in Turkey to  
form Cabinet

## Rockets Hit North Israel To Retaliate For Bombing

By Joel Greenberg  
*New York Times Service*

JERUSALEM — Shiite Muslim guerrillas in Lebanon fired a barrage of Katyusha rockets into northern Israel on Wednesday, wounding 13 people in retaliation for the killing of a Lebanese woman and six of her children in an Israeli bombing raid on suspected guerrilla targets Tuesday.

Prime Minister Benjamin Netanyahu, who is facing early elections, vowed that Israel would respond to the rocket attack, which was claimed by the Iranian-backed Party of God, or Hezbollah.

"We cannot pass over this in silence," Mr. Netanyahu told reporters at the northern Israeli town of Qiryat Shmona, which was struck by rockets.

"We will react according to our considerations at a time we see fit, and we will respond. Israel will respond."

An estimated 20 to 30 rockets slammed into Qiryat Shmona and other communities along the border with Lebanon in two salvos that began at 7:30 A.M., the army and residents reported. A carpentry shop worker suffered moderate burns, and another 12 people were lightly hurt, the army said.

Some buildings took direct hits, but serious casualties were avoided because residents of northern communities had been ordered into bomb shelters overnight in anticipation of an attack. The rockets landed at an hour when people normally head for work and drive children to school.

"I heard a few tremendous booms," said Mai Nizri, a woman whose house was hit, told Israel Radio. "Glass flew. I was wounded in the hand. I laid on my son. I took him to the floor so he wouldn't get hurt, because he was nearly killed by Katyushas last time. I laid on my son until the explosions stopped, and when I got up I saw the horror. My whole house was smashed."

Hezbollah said it had fired the rockets to avenge what it called the deliberate killing of the Lebanese mother and her children. "Once again, the resistance has fulfilled its promise to protect our



A woman looking through a hole Wednesday left by a Katyusha rocket that hit her home in Qiryat Shmona.

territory and our civilians," it said in a statement. "Violence must be answered with violence. Their blood must be spilled for ours."

Hezbollah had vowed retaliation after an Israeli plane on a bombing mission against guerrilla targets in eastern Lebanon struck a farmhouse on Tuesday, killing Nadwa Othman, 35, and six of her children, and wounding her husband and another son.

The charred bodies of the seven family members were buried Wednesday in the town of Baalbeck in a funeral that became an emotional protest against Israel and the United States. "There is no God but Allah, Israel and America are the enemies of Allah," mourners chanted.

Defense Minister Yitzhak Mordechai expressed regret over the deaths, saying they were an accident. An Israeli Army spokesman said the family's house had been hit by mistakes during an air strike aimed at a Hezbollah training base and broadcasting relay station near the village of Janis in the Bekaa Valley in eastern Lebanon.

The Israeli Army's chief of staff, Lieutenant General Shani Mofaz, said in a television interview that "incorrect target identification" by a pilot had caused the bombing error. A senior air

force officer identified only as Brigadier General Yossi said an apparent malfunction or pilot error caused two bombs to hit the house. He said an investigation had begun.

The Israeli Air Force has raided suspected guerrilla targets in Lebanon more than 100 times this year as part of its war of attrition with Hezbollah. The group is fighting to oust Israeli soldiers from a 14.5-kilometer-wide (9-mile-wide) strip in southern Lebanon that Israel has held since 1985 as a buffer against guerrilla attacks across its northern border.

Hezbollah has killed 20 Israeli soldiers this year, and lost 37 of its own men. Twenty-eight Lebanese civilians have been killed since 1985 as a buffer against guerrilla attacks across its northern border.

Under an American-brokered understanding reached in April 1996 following a 17-day Israeli air and artillery offensive against Hezbollah in southern Lebanon, neither side may target civilians.

Since then, however, Hezbollah has fired Katyusha rockets at Israel several times in response to the killing or wounding of Lebanese civilians by Israeli forces or by their local militia ally, the South Lebanon Army.

Visiting sites hit by the rockets Wednesday, Mr. Mordechai accused Hezbollah of "blatantly violating" the

1996 understanding by deliberately killing civilians in response to the accidental killings by Israel.

Drawing the same distinction, Mr. Netanyahu said: "In contrast to the accident we had, in which civilians were tragically killed by mistake, there was malicious intent here to kill civilians and children on their way to school."

### Likud Overtures to Olmert

Israeli radio reported Wednesday that Likud leaders have asked the mayor of Jerusalem, Ehud Olmert, to run for the prime minister, following former Finance Minister Dan Meridor's announcement Tuesday that he was quitting Likud to form a centrist party to challenge Mr. Netanyahu. Agence France-Presse reported from Jerusalem.

"We have the feeling that the party is on the verge of collapse and that it's never been through such a difficult period before," said Mr. Olmert, who until now has been one of Mr. Netanyahu's closest Likud allies.

The radio said Mr. Olmert has had discussions about forming an anti-Netanyahu alliance with Defense Minister Mordechai, who has taken pains in recent days to distance himself from Mr. Netanyahu.

## Security Council Grope Toward a Policy on Iraq

Russia and China Remain at Odds With U.S.

By Barbara Crossette  
*New York Times Service*

UNITED NATIONS, New York — The Security Council, struggling to rebuild the fragile unity that was shattered by the U.S. and British bombing raids in Iraq, met again Wednesday to thrash out a statement broadly outlining a future policy toward the Iraqi president, Saddam Hussein.

After several hours of closed-door discussions, the council agreed to defer further formal discussion until next week.

"I think there is a sincere wish from all delegations to agree on a text," Hans Dahlgren, the Swedish representative, said after the meeting. "But it won't be today."

Russia, however, is expected to produce another version of its proposed draft of the policy statement Thursday, following the introduction of new ideas by the United States.

The administration of President Bill Clinton wants to tone down the role that Russia would propose for Secretary-General Kofi Annan, among other changes.

"Some of these amendments are helpful, some of these amendments are going contrary to the initial goal of this presidential statement," said Russia's deputy representative, Yuri Fedotov.

Russia wants a very clear statement, which would express the view of the majority of the Security Council, he said, "and which would say basically three important things, which are: The Security Council is in charge and the Security Council is in favor of a political settlement of international crises; two, that the secretary-general must continue to play his important and meaningful role in this crisis; and three, we have to determine what has to be done in order to resume the implementation of the Security Council resolutions on Iraq."

Both sides appear ready to call a high-level meeting of the United Nations Special Commission.

The commission, known as Unscom, was originally a panel of experts sent by various nations to work out a disarmament plan for Iraq in 1991, after the war in the Gulf.

When the process went on much

longer than expected, the part-time commission had to hire a permanent staff — including the weapons inspectors, currently under the direction of Richard Butler. The commissioners now meet only periodically as an expert board, with Mr. Butler as executive chairman.

By calling a meeting of the higher-level commission, the Security Council can to some degree defuse the tension over Mr. Butler and his day-to-day inspection and monitoring teams, who have now been barred from Iraq by Mr. Saddam's government.

The move could also save the commission, which the United States wants recognized, along with the International Atomic Energy Agency, as the sole judges of Iraqi compliance with a 1991 disarmament resolution.

Under the resolution, Iraq must be declared free of nuclear, biological and chemical weapons as well as certain missile systems to qualify for a lifting of sanctions.

Iraq says it meets the test. Mr. Butler says it does not.

On Wednesday, China joined Russia in calling publicly for Mr. Butler's dismissal. Shen Guofang, China's deputy representative, said to reporters that Mr. Butler "should go."

Iraq, at least rhetorically unchastened by air strikes last week, made the world of the United Nations a little more difficult Wednesday by barring all of the organization's flights into the country.

The Iraqis turned back a plane carrying military observers based along the Kuwaiti border. Baghdad also refused to allow Secretary-General Annan's special envoy, Prakash Shah, to fly out of Iraq. He had to make a 12-hour trip to Amman, Jordan, by road.

The Iraqis told Mr. Annan that it was unsafe to fly because British and American air maneuvers continued over the country.

### U.S. Withdrawing Bombers

The United States said Wednesday that it would withdraw many of its deadliest bombers and the aircraft carrier U.S. Enterprise from the Gulf, Reuters reported from aboard the Enterprise.

Defense Secretary William Cohen emphasized that Washington would keep enough U.S. troops and equipment in the region to be able to renew military attacks on Baghdad if President Saddam threatened U.S. allies in the region.

"To the extent that we determine that he is in fact going to pose a threat to the region again, then we're prepared to take action," Mr. Cohen told reporters accompanying him on a two-day trip to visit U.S. troops in the Gulf.

"We have the ability to react very quickly, so we're satisfied that our day-to-day force is adequate," he said.

Pentagon officials traveling with Mr. Cohen said that the number of U.S. troops in the Gulf region would drop to 21,000 to 22,000, from 29,000 during the four-day bombardment of Iraq.

They said that many of the heavy bombers and other aircraft used in the bombardment were heading home to bases in Alaska, Texas, California, North Dakota and Louisiana, including all six B-1B bombers, 12 tank-killer A-10s, 10 KC-10 tankers and 12 of 15 B-52 bombers.

But they said that the forces being withdrawn would remain on alert to return to the Gulf on 72 hours' notice if necessary.

## France Proposes New System for Monitoring Iraq

By Craig R. Whitney  
*New York Times Service*

PARIS — In the wake of the British and U.S. bombing of Iraq, France is proposing that the United Nations set up a new system for monitoring Iraq's arms programs and let it export oil, but make sure none of the revenue is used to buy weapons.

In an interview Tuesday night, Foreign Minister Hubert Vedrine said: "We think that seven years of monitoring by the UN Special Commission, plus the strikes that have taken place, have created a new situation.

"The objective we all have in the Security Council is for Iraq not to become a danger again, and with every thing that has been inspected and monitored, and all that has been destroyed, we think we can move from inspecting the past, so to speak, to making the future safer."

Asked to explain French ideas for a new system of UN monitoring, first called for by President Jacques Chirac and the UN Special Commission, plus the strikes that have taken place, he created a new situation.

"First, we need a system of surveillance of arms, to verify that Iraq doesn't have more arms than it is allowed and doesn't embark again on a policy of acquiring weapons of mass destruction. We don't pretend to have a

detailed plan worked out, and we'll have to talk with all our partners in the Security Council. But there should be both technical means, cameras, etc., and on-the-spot inspections, but we think that can't be done by the UN Special Commission in its present form the way it has been done in the past."

Asked whether, like Russia, France believed that the commission's head, Richard Butler, should be replaced, Mr. Vedrine did not answer directly. "The question of personalities has been posed by several members of the Security Council, particularly by Russia, quite clearly, but I think you have to consider the question of personalities as a function of the job that has to be performed," he said.

"Second," he went on, "our thinking is that if we can agree on an effective system of continuous monitoring, one that provides adequate guarantees, we should be able to lift the embargo on

Iraqi oil sales — I'm not saying lift all the sanctions, there are other sanctions besides oil, and that's another problem."

But he said, "The oil embargo has already been modified with the petroleum-for-food program. What happens to revenue from those sales is quite closely monitored, making sure they are used for the population and not for buying arms, for example. It shouldn't be that much more complicated to monitor the revenue from sales if the oil embargo is lifted. That's a sensitive issue, it's not something the Iraqis want."

"We haven't made detailed proposals, we're simply in the process of discussion," said Mr. Vedrine, who has been on the telephone in recent days with the U.S. secretary of state, Madeleine Albright, and the British foreign secretary, Robin Cook.

"We have expressed some ideas, but we think it has to be discussed with our Security Council partners," he said.

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## Branson's Balloon Clears Asia, Starting Pacific Trek

By T. R. Reid  
*Washington Post Service*

### Arafat Releases Hamas Sheikh

*The Associated Press*

GAZA CITY — Sheikh Ahmed Yassin, the Hamas spiritual leader, was freed Wednesday by Yasser Arafat's Palestinian Authority from nearly two months of house arrest.

Outside his house in a slum neighborhood of Gaza City, a crowd of rejoicing followers surrounded the trail, ailing sheikh in his wheelchair, kissing and greeting him.

Sheikh Yassin's release is likely to heighten tensions between the Palestinians and Israel, coming as the two sides accuse each other of violations of the stalled Wye River land-for-security accord.

Israel has repeatedly said that Mr. Arafat has not done enough to fight Islamic militant groups like Hamas, and word of Sheikh Yassin's release drew new criticism.

Sheikh Yassin was put under house arrest Oct. 29 after a Hamas activist killed himself in an unsuccessful attempt to blow up a school bus full of Israeli children. The attack came only six days after the signing of the Wye River accord.

on Wednesday that the flight over the Earth's highest mountain range was "incredibly beautiful."

As the morning sun rose over the mountains ahead of him, Mr. Branson said, he could look out from the pressurized cabin and watch the icicles melting off the balloon.

The ever-cynical British press has labeled the venture "Branson's hot-air publicity machine" and has been taking daily pot shots since the trip. When flight headquarters reported on the second day that Mr. Branson was suffering from "dry lung syndrome," The Independent newspaper described this as "an illness similar to a sore throat except that it affects people in balloons with their own press offices."

The balloon trip is being sponsored primarily by Branson's Virgin Air Lines and by ICO, a global company that plans to start worldwide cellular phone service in the year 2000.

The basic plan is to fly around the world in 18 days or so. The flight plan calls for ICO Global to land somewhere in Britain in the first week of the new year.

Since Britain is east of Morocco, a landing here would mean a trip slightly longer than one circumference of the planet.

The balloon, designed by Mr. Lindstrand, a British pilot, employs a combination of two earlier ballooning technologies, helium and hot air. The main lift comes from helium, but there are also hot-air burners to offset the heating and cooling of the helium. That gives the pilots good control over their altitude without the use of ballast.

The ICO Global has been traveling about six miles above the earth, where it can catch the jet stream for the fastest possible eastward journey around the globe. The northern hemisphere route is only possible in the winter, when the jet stream winds are all pushing eastward.

## GUILTY: Ex-Head of NATO Is Sentenced

Continued from Page 1

prosecutor in the case, Elsane Liekendael, making her last court appearance before retirement, shot to national prominence when she used her summing-up to issue a devastating critique of the culture of corruption in Belgian politics, where parties and regional governments vie for influence across language lines.

At the time the payments were made, it was not illegal to make corporate donations to political parties; the practice has since been outlawed. But the court found that the size of the payments in this case, their dubious funneling through banks in Luxembourg and Switzerland, and the fact that they were

closely connected in time to the awarding of the contracts amounted to corruption.

The court's presiding judge, Marc Lahousse, said it was possible that before the awarding of the helicopter contract, Mr. Claes "gave his assent to his chief cabinet aide to accept the offer made by Agusta."

Mr. Claes said he would appeal the verdict to the European Court of Human Rights, since he has no further recourse in Belgium. The verdict was handed down by the Court of Cassation, which normally reviews the decisions of appeals courts, but is empowered to hear cases against acting or former government ministers.

THURSDAY-FRIDAY, DECEMBER 24-25, 1998

## EDITORIALS/OPTION

**Herald Tribune**

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**Moving Toward Censure**

The Senate seems inclined to treat Bill Clinton's misconduct in a fair and responsible way, provided the president will let it do so. Although Senate sentiment has yet to coalesce around a specific plan, both Republicans and Democrats are talking of censure as the most appropriate punishment. For the last couple of days Mr. Clinton and his aides have seemed in better touch with political reality. They can help keep the Senate on a conciliatory course by dispensing with the legal quibbling that has helped bring his presidency to the brink of destruction and by continuing to send receptive signals about censure.

Senator Robert Byrd, Democrat of West Virginia, the guardian of Senate constancy, removed a potential roadblock to censure this week by declaring that a full trial of the charges against Mr. Clinton need not be the only response to the two articles of impeachment approved by the House. That gives the Senate the latitude to consider a variety of options that would lead quickly to a strong censure resolution. Even if a trial must be opened to satisfy the constitution or Republican concerns about belittling the House, it could be terminated at any time by a simple majority vote.

But Mr. Clinton must recognize that even Senate Democrats who favor censure are dismayed by his conduct and fed up with his failure to square himself with the law. The surest way to assemble the 67 votes needed to convict and remove him from office is to

treat the Senate with contempt. White House aides who are so certain that the numbers can never turn against him need only recall their predictions after the November elections that the House would not vote to impeach.

The lawyers and political advisers who have so poorly served Mr. Clinton must give up the self-defeating idea that they can win this case through parliamentary maneuvering and legal pettifogging. Senator John Breaux, Democrat of Louisiana, offered wise counsel when he urged the White House not to try to block Senate action by arguing that the impeachment vote of a lame duck House has no standing when the new Congress convenes in January.

Most importantly, Mr. Clinton must discard the empty assertion that he did not lie under oath before a federal grand jury. It seems all but inevitable that any censure resolution would condemn him for giving false testimony under oath. Such a resolution would also come with the expectation that he would publicly accept it. That, in turn, should be sufficient for Kenneth Starr to promise not to prosecute him when he leaves the White House.

For the first time in weeks, the political dynamic in Washington is moving toward censure. Even some House Republicans who voted for impeachment articles that explicitly call for his removal from office are belatedly embracing censure. With some help from Bill Clinton, it could happen soon.

—THE NEW YORK TIMES.

**So, What About China?**

So now we know the cost of speaking freely in China: 13 years behind bars. That is the sentence handed down after a sham trial to Xu Wenli, who tried to organize a Chinese Democratic Party. Fellow democrats Wang Youcui and Qin Yongmin were sentenced to 11 and 12 years, respectively. None was allowed to mount a defense.

In October, China's Communist rulers signed, to great self-congratulation and international acclaim, a treaty that recognizes freedom of speech and freedom of association as universal rights. Mr. Xu and his colleagues have now been sent back to the Chinese gulag for seeking to execute them.

Mr. Xu, 55, spent 12 years in prison after supporting a fledgling democracy movement back in 1979. Most of those years were in solitary confinement; for long stretches he was deprived of visitors. Mr. Wang, 32, a former student leader in the democracy movement of 1989, spent most of 1991 in prison. Mr. Qin, 44, has served seven years in prison and three in labor camps for pro-democracy activities. Yet all three, and many others, had the courage to continue speaking up for liberty.

The cynicism of China's dictators was only highlighted by their decision to release into exile, simultaneously

with their crackdown against these other democrats, a labor activist named Liu Nianchun. Mr. Liu had spent the past three years undergoing "re-education through labor." His release is to be welcomed, although forced exile should not be equated with freedom. But his release should not distract attention from the dozens of arrests and imprisonments of recent months, nor from the thousands who remain in captivity for political or religious offenses. We refer to Liu Hui, 30, arrested for furnishing e-mail addresses to an online pro-democracy magazine; Zhao Changyong, 28, imprisoned for trying to run for a seat in his local legislature without the blessing of the Communist Party; Zhang Shuangqiang, arrested for trying to set up an association to protect workers; and more.

Long ago, the Clinton administration dropped any links between trade and human rights in its China policy. Then, just about one year ago, the administration and its allies in Europe shrewdly even their efforts at public diplomacy, abandoning their campaign to draw attention to China's human rights record. The idea was that quiet diplomacy would work better than public condemnation. Now the results are in. How will the West respond?

—THE WASHINGTON POST.

**Olympian Cheating**

Few spectacles rival the Olympics for pomp and spectator interest. For some sports with few fans, the Olympics provide virtually the only major international exposure. Televised around the world, the Games can enhance the reputation of host cities.

The organization behind the spectacles is the International Olympic Committee, a self-perpetuating group of 114 men and women that in turn is dominated by an executive committee of 11 people. In practice the executive committee chooses new members of the IOC and runs the organization. The principal duty of the full membership is to pick host cities.

Now a member of the executive committee, Marc Hodler of Switzerland, has charged that there is widespread corruption in the choice of host cities. He said agents, one a member of the IOC, had promised to deliver blocs of IOC votes in return for favors from the aspiring cities. Most of the allegations are unproven, but organizers of the 2002 Winter Olympics in Salt Lake City admit that they set up a \$400,000 scholarship fund that benefited relatives of some IOC members, although they say it was a humanitarian gesture rather than bribery.

Juan Antonio Samaranch, IOC president since 1980, has proposed further concentrating power in the executive committee that he heads, by letting it instead of the full IOC membership

pick the cities. Given that the executive committee and Mr. Samaranch were running the IOC when the alleged corruption was taking place, that is hardly a credible solution. The IOC could best clean up its act with some strong conflict-of-interest rules, setting forth exactly what is permissible.

—THE NEW YORK TIMES.

**Other Comment****Malaysia Needs Rule of Law**

Democracy in East Asia will grow stronger as economies develop. But the public's attention now should be directed at one man's shocking inhumanity to another and at the need to respect the rule of law. Many will conclude that the brilliant record of an unusually gifted Malaysian prime minister was fully blackened. How unnecessary. What a tragedy.

—David J. Hinchliffe,  
in the Los Angeles Times.

**Herald Tribune**

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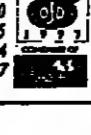
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**The Iraqis' Future Is an American Responsibility**

By Jim Hoagland

**WASHINGTON** — Weeks of intelligence gathering will be needed to assess how the bombs and missiles of Operation Desert Fox have changed Iraq and the Middle East. But some of the changes that these attacks on Saddam Hussein's war machine bring are already clear.

Seventy hours of air attacks fix Washington with a heavy responsibility for the future of Iraq and its beleaguered people, in human and political terms. America has assumed a deeper obligation to help in Iraq's eventual reconstruction, and to take the actions that make reconstruction possible.

The Clinton administration until now has sought to avoid or minimize that commitment by staging hit-and-run pimpmobile raids and then pronouncing Saddam defeated. Initial statements from the administration after the attacks were halted on Saturday indicate a welcome recognition that such detachment is no longer possible.

A Democratic and a Republican president have now each conducted warlike campaigns in Iraq that have inflicted unavoidable destruction on a

population held captive by a tyrannical psychopath. To turn away again and let the psychopath continue his depredations would be an unconscionable, bipartisan American failure.

Democrats have pleaded for six years that they inherited a mess in Iraq arising from President George Bush's original support for Saddam and his subsequent decision to walk away from the Iraqi uprisings that Operation Desert Storm provoked in 1991. But Iraq is no longer Mr. Bush's war alone.

For the first time since the Vietnam War, Democratic leaders in Congress last week demanded that their fellow-soldiers support a president's war-making powers abroad without reservation.

Not even a matter as grave as impeachment should be permitted to interfere with the commander in chief's ability to bomb and strafe as he saw fit, they argued. This is a stunning turnaround from the extreme ambivalence that the Democrats have shown about the use of force abroad since Vietnam

all future presidents, Republican or Democrat, facing impeachment or not.

The Democrats on Capitol Hill now have a stake in and responsibility for the war against Saddam that they did not acknowledge before Desert Fox.

It has been Republican legislators who have forced legislation and hearings helpful to the Iraqi opposition fighting Saddam on an obstructionist White House, Pentagon and State Department. It was Senator Joe Biden and other Democrats who sought in August to ridicule and undermine Scott Miller, the former UN arms inspector who helped embarrass the administration into finally striking Saddam with concentrated force this month.

Risking the lives of American military personnel abroad is too important to be a partisan matter. The fate of Iraq is also too important to be a matter of party divide. If Iraq is important enough to drop bombs on, it is important enough to merit the sustained attention and effort of the legislators who defended and cheered their president's decision to drop those bombs.

*The Washington Post.*

**Netanyahu: A Chance Now for Israelis to Think Again**

By Gideon Samet

**TEL AVIV** — An embattled, frustrated Knesset showed the door to Prime Minister Benjamin Netanyahu on Monday by dissolving itself. Never in the short annals of this country's governments has there

been a regime so erratic. Many Israeli found some attractive charm in Mr. Netanyahu's ability to get out of so many political entanglements. But the lustre of his wizardry wore off as criticism mounted even among ardent supporters.

One of them said recently that Bibi is Houdini in reverse. The proverbial escape artist defied all chains. Mr. Netanyahu chained himself inextricably with his own flaws.

Dazed Israeli onlookers be-

came victims. From world-class peaks in the early '90s during Yitzhak Rabin's rule, GNP growth rates plummeted to near zero. Unemployment mounted in the troughs of a disturbing economic slowdown. The Israeli hope for peace, enkindled by agreements with King Hussein and Yasser Arafat, was shattered by Mr. Netanyahu's mantras of discontent.

The Knesset vote was the culmination of a wider disconnection. The Israeli public is traditionally conservative. It takes a lot to edge the electorate to-

ward a major political change. But winds of disenchantment have been blowing in the face of a deeply disappointing leader.

A new centrist party hopes to tap the support of many right-wing sympathizers who can't take Mr. Netanyahu anymore. For others, less committed, a new popular slogan says "Any one but Bibi."

The big majority for early election was unexpected. The body politic under the heavy burden of Mr. Netanyahu has become so fragmented, so lacking in clear purpose that the urge to turn a new leaf overrode the political instinct of self-preservation.

*The writer, a columnist and member of the editorial board of the daily Ha'aretz, contributed this comment to the International Herald Tribune.*

**Clinton: A Casualty in America's Harsh Cultural War**

By William Pfaff

**PARIS** — Washington cannot be a happy city this Christmas. Impeachment of the president coincided with a long bout of ill-considered intervention in Iraq that only alienated allies, humiliated the United Nations and its American-nominated secretary general, and strengthened a despotic hold over his country.

The Washington political climate is harsh, the moral and intellectual level of debate in Congress, the White House and much of the press is generally acknowledged as at its modern nadir. The functioning of American democracy disquiets patriots, to employ a word whose very unflashiness is revealing.

However, all this is not unprecedented. There was Richard Nixon's assassination, his conflict with the radical wing ("Jacobin," as the Southern historian Shelby Foote says) of the Republican congressional majority resulted from his attempt to apply Lincoln's lenient policy of reconciliation and disqualifying them from public office. That launched the struggle which led to impeachment.

As president, after Lincoln's assassination, he had to undergo that second term of the screw. Targets of prosecutors customarily invoke the Fifth Amendment; Justice Department rules discourage calling them before grand juries. But Mr. Starr, determined to get something on Mr. Clinton after four years of fruitless investigation, guessed correctly that for political reasons he would not refuse to testify.

In truth, many House Republicans who cited perjury as their ground for impeachment had deeper reasons. They do not like this president. An unmistakable venom ran through the whole process.

An astute foreign eye saw it clearly. Philip Stevens of the Financial Times wrote: "This was not about the sacred constitution of the United States. It wasn't even honest politics. The impeachment of Bill Clinton was personal. It was an act of vengeance."

Conservatives have hated Bill Clinton since the day he took office. Some conservative commentators, broadcast and print, seem obsessed by the man. Robert Livingston, before he gave up the prospect of the speaker's job, showed his distorting animus when he said: "Richard Nixon's crime was covering up a crime he did not commit. Clinton is covering up a crime he did commit." There are reasons for politicians, Democrats and Repub-

licans to distrust Bill Clinton. He has not played straight with many of them. And the public has reason to be concerned at his false assurance that he had not had sexual relations with that woman. But those are not grounds for impeachment or resignation, unless Americans are going to make the impeachment process a vote of no confidence and move toward a parliamentary system of government.

In the end, I do not believe that the Senate or the public will want to reward hatred. I do not believe that they will want Americans' political fate to be decided by Linda Tripp, Lucianne Goldberg and Kenneth Starr.

*The New York Times.*

**IN OUR PAGES: 100, 75 AND 50 YEARS AGO****1898: Afghan Uprising**

**ST. PETERSBURG** — Reports of a disquieting character have reached this city from the Russo-Afghan frontier. The Mohammedan priests are busy agitating among the lower orders, and people acquainted with Oriental ways declare that the preparations seem to point to a serious struggle on behalf of Islamism. The Russian authorities in the Tsar's Central Asiatic dominions have intercepted a correspondence that appears to indicate that there is a plan among the Moslems to assassinate the president. It was an act of vengeance."

"Conservatives have hated Bill Clinton since the day he took office. Some conservative commentators, broadcast and print, seem obsessed by the man. Robert Livingston, before he gave up the prospect of the speaker's job, showed his distorting animus when he said: "Richard Nixon's crime was covering up a crime he did not commit. Clinton is covering up a crime he did commit."

"There are reasons for politicians, Democrats and Repub-

## OPINION/LETTERS

## Improved Labor Practices Must Be the Bottom Line

By Heather Hiam-White

**A**MHERST, Massachusetts — Shoppers have reason to be confused this holiday season. The growing awareness of sweatshops and child labor has heightened concern about how the goods we buy are manufactured. What is lacking now are clear guidelines to help consumers make informed decisions about their purchases.

The goods available today in U.S. stores are often made somewhere other than in the United States. But while the labels may say "Made in China" — or the Philippines or India — the route that a particular jacket, or child's toy, or woman's purse takes on its way up the racks and shelves of U.S. retailers is often complicated.

Most major merchandisers now use hundreds of suppliers and vendors — so many, in fact, that companies themselves often have little or no knowledge of the exact course of their supply chains.

Hoping to become long-term suppliers to a big American corporation, foreign manufacturers are often willing to accept deals that foster the abuse of their employees. In many producing countries, wages are set to help local factories attract foreign investment rather than to provide a living wage for workers, the majority of whom are women and young girls.

The process begins when the U.S. buyer meets with a broker and signs a purchase order set at a particular price. The broker then works through yet another set of intermediaries, who set out in search of a factory that will meet the contracted price. So most buyers for U.S. companies will not even have visited an overseas factory before placing an order.

To further complicate matters, add to this the phenomenon known as "triangle manufacturing." Contractors in economies that expanded rapidly, such as Hong Kong, Taiwan, Singapore and South Korea, shift their most labor intensive production into even lower-wage nations such as the Philippines, Malaysia, Indonesia, Vietnam and China as well as countries in Central America, the Caribbean and Eastern Europe.

Although some companies claim to care about the conditions of their workers, most do not do much to follow through. "The companies say to the contractor, 'Please allow for freedom of

For monitoring efforts to bring about real change, we must develop much stronger criteria for how private monitoring firms conduct their investigations. All too often these firms are branches of the manufacturers' accounting firm and have no training in investigation of work practices.

Consumers must keep up the call to action; but it is only the competence that can make exploitative labor practices truly a thing of the past — one factory at a time.

The writer is executive director of Verite, a nonprofit organization based in Amherst, Massachusetts. She contributed this comment to The Washington Post.

Reviewed by Leahna Haupt

### THE GREATEST GENERATION

By Tom Brokaw. Illustrated. 350 pages. \$24.95. Random House.

Reviewed by Leahna Haupt

Up to a point, you can sympathize with what Tom Brokaw is saying in "The Greatest Generation": that the American men and women who were born around 1920, who came of age in the Great Depression, who fought in World War II and who rebuilt the postwar world and passed the results on to succeeding generations, were extraordinary.

"It is a generation," Brokaw writes, "that, by and large, made no demands of homage from those who followed and prospered economically, politically and culturally because of its sacrifices." He continues: "It is a generation of towering achievement and modest demeanor, a legacy of their formative years when they were participants in and witness to sacrifices of the highest order."

If it is a generation, he argues, that makes you think of all those words that Hemingway once said you couldn't use anymore: duty, honor, country, flag, family, church, faith, loyalty, self-sacrifice, purpose, modesty, responsibility.

Sure, the generation made mistakes, Brokaw admits: racism, sex discrimination, anti-communist hysteria, Vietnam.

Or as he puts it, somewhat cloudily: They allowed McCarthyism and racism to go unchallenged for too long. Women of the World War II generation, who had demonstrated so convincingly that they had so much more to offer beyond their traditional work, were the underpinning for the liberation of their gender, even as many of their husbands resisted the idea."

When a new war broke out, many of the veterans initially failed to recognize the difference between their war and the one in Vietnam."

### BOOKS

Still, he concludes, "This is the greatest generation any society has produced."

Brokaw's motives in writing the book seem heartfelt. Walking the beaches in Normandy in 1984 with American veterans while preparing an NBC television documentary on the 40th anniversary of D-Day, he "underwent a life-changing experience," he reports.

"I was deeply moved and profoundly grateful for all they had done. I realized that they had been all around me as I was growing up and that I had failed to appreciate what they had been through and what they had accomplished." So his book is a tribute to his parents and their friends, as well as to their conduct.

And the stories he tells of them are diverting enough, occasionally even inspiring. Chronicling some 50 lives, he offers examples of the many virtues he is celebrating: people who distinguished themselves both in battle and on the home front, men who built careers despite being disabled by the war, women who overcame the obstacles that were stacked against them, minorities who used adversity to improve their people's lives.

Some are individuals whom Brokaw met while researching D-Day. Others he came to know while growing up in South Dakota. Some are obscure and consider their achievements ordinary. Others were venerated by fame by their wartime experiences.

All stand as a rebuke to certain excesses in the contemporary culture: the desire to place one's own interests first, the habit of regarding the truth as the most recent words to pass one's teeth, the refusal to take responsibility for one's behavior, the tendency to view the births of one's children as random events to which one has little connection, the inclination to measure one's worth by how much money one has.

But enough is as good as a feast, and

### Seeking Justice for Lockerbie

Regarding "10 Years After, Remembrance at Lockerbie" (Dec. 22):

As originator of the annual United Nations commemoration of the bombing of Pan Am Flight 103, I was moved to read the remarks made by the Reverend Pat Keegan in Lockerbie, Scotland. "There is another bomb ticking — the irresistible bomb of justice and truth," he said.

His words were in striking contrast to those of his government in London and of mine in Washington, which agreed months ago to the indicted Libyan terrorists' choice

of venue for a trial. That set a dangerous precedent, and there is still no trial to show for those concessions.

HARRIS O. SCHREIBER  
New York

The writer is director of UN affairs at B'nai B'rith International.

### On Operation Desert Fox

Along with setting back U.S.-Russian relations 15 years, the strikes against Iraq have done much to undermine respect for the United Nations as a democratic world

institution. Corollary to this, and just as regrettable, is the further deterioration of America's reputation as a superpower whose values include civility and a respect for international law.

B. HORAKOVA  
Pardubice, Czech Republic

Regarding "Outfoxed: The Generals Forget About Rommel" (Dec. 21):

The report quotes Marc Schneier, president of the New York Board of Rabbis, referring to Erwin Rommel as a Nazi officer. But not all of the German Army officers who fought in World War II were

members of the Nazi party. Among those who were not was Field Marshal Rommel.

PETER LOMAX  
Valbonne, France

Regarding the designation Desert Fox, I think the computer at MacDill Air Force Base in Florida could have come up with a more appropriate name, such as Desert Fury or Desert Flail. But after the operation has been strategically analyzed, other names may be more apt: Desert Folly, Desert Farce, Desert Fiasco or Desert Flop.

PETER B. MARTIN  
Montcuq, France

## Spending on Luxury Toys Has Gone Over the Top

By Robert H. Frank

ITHACA, New York — So, what are people with real money buying for their 10-year-olds this Christmas? Put this question to a "personal shopper" at the F.A.O. Schwarz toy store and she will promptly escort you to a glass-walled inner sanctum, on the second floor. There, on display in a limited-edition catalogue, you will see life-size reproductions of Darth

### MEANWHILE

Vader and other "Star Wars" characters for \$5,000 and up, a canopy bed with loft for \$30,000 and a hand-carved caisson from Germany for \$75,000.

But by far the hottest item this season is a Range Rover a quarter the size of the real thing. With leather upholstery and an AM-FM cassette stereo, it has a 5-horsepower gasoline engine and has a top speed of 20 miles (32 kilometers) per hour.

They are selling fast, but you can still take immediate delivery for \$18,500 — slightly more than the sticker price of a Honda Accord.

Value-conscious shoppers might find that a bit much to pay for a toy car with a lawn mower engine. But they would be missing the point.

Over-the-top spending for kids is not new. But the most expensive gifts for children now have much higher price tags than they used to, which is also true of the gifts exchanged by

their upmarket parents. When a recent Neiman Marcus Christmas catalogue offered the new Jaguar convertible at \$80,000, the entire 70-vehicle inventory was snapped up within hours.

America's new luxury fever is driven by a sharply increased concentration of income and wealth. By one measure, the top 1 percent of earners have captured almost 80 percent of all earnings growth since 1979.

If trends continue as expected and are reinforced by enactment of flat-tax proposals that would cut rates on top earners by half, the hottest selling toy car will soon be not the junior Rover, but F.A.O. Schwarz's miniature Ferran, which currently sells for \$40,000.

If a tax is imposed on high-end toys, adults have the right to spend their incomes however they please. Yet few would insist that these purchases constitute the most fruitful use of this money. Indeed, persuasive scientific evidence suggests that when everyone gets more expensive and elaborate toys, no one is any happier than before.

So why do parents buy such things? The problem is that gift giving is like an arms race: Spending less would be better, but only if everybody did it.

The moral outrage of social critics will not make that happen. But a one-line amendment to the U.S. federal tax code could. Switching from the current progressive income tax to a more steeply progressive consumption



By K.L. in The Sun (Baltimore). © 1998 Syndication.

tax would provide powerful incentives to save and invest money that would otherwise be spent on high-end toys.

Such a tax would be easy to administer. A family would pay tax on its total consumption, defined simply as the difference between what it earned and what it saved. The tax rate on the highest spenders would have to be higher than it is now, to allow for the fact that the rich save much more than others. Everyone's tax burden would be roughly the same as before.

But each family's incentive to buy high-end toys would be changed profoundly. If the additional consumption of top spenders were taxed at a rate of, say, 70 percent, the junior Rover's effective price would jump al-

most \$13,000. This change would lead many to choose less expensive toys and shelter the savings in tax-free mutual funds.

The standard that defines an acceptable toy would shift. Before long, less expensive toys would acquire the same cachet as the more expensive models they had displaced.

This pattern would be repeated all the way down the income ladder, a welcome development at a time when 1 in 70 American families files for bankruptcy each year. Best of all, it would exact no price in enjoyment, since what counts is not absolute spending on toys, but relative spending.

Of course, a steeply progressive consumption tax would also affect other purchase decisions, possibly leading to similar

The writer, professor of economics at Cornell University, is author of the forthcoming "Luxury Fever" and co-author of "The Winner-Take-All Society." He contributed this comment to The New York Times.

### LETTERS TO THE EDITOR

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In association with the International Herald Tribune Paris, 26-27 January 1999

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# Herald Tribune

## BUSINESS / FINANCE

THURSDAY-FRIDAY, DECEMBER 24-25, 1998

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### Hong Kong Tycoon Rattles Market

*Developer's Outburst Strains Ties Between Business and Government*

By Phil Segal  
*International Herald Tribune*

**HONG-KONG** — The Hong Kong government has propped up land prices and helped support the stocks of this city's handful of multibillionaire real estate tycoons, but as the economy sinks deeper into recession, the near-sacred alliance between business and government is fraying.

In an extremely rare remark about politics, Li Ka-shing, one of Hong Kong's richest men and its most famous business figure, said he had abandoned plans to invest \$1.3 billion in an unspecified business project because in the current political environment in Hong Kong, the sanctity of contract law is under threat.

"We always prefer to invest in Hong Kong while the economy is doing badly, but in such a political environment," he said, "his company would 'prefer to do a bit less.'

His remarks to reporters late Tuesday helped push share prices down 1.6 percent. Wednesday, the key Hang Seng index lost 163.81 points to close at 10,158.75.

"If Hong Kong's biggest developer says Hong Kong is not fit for investment, what should we think?" said Anthony Mak, sales director at the broker-

age Vickers Ballas, according to *Agence France Presse*. The market "got the message," he added.

Mr. Li's comment was the talk of the town, both because political power is firmly in the control of conservative forces friendly to Mr. Li, but more importantly because business and government in Hong Kong are closely linked.

"It was a very measured act and it's actually extraordinarily confrontational," said the head of sales at a European brokerage.

If it signifies a breakdown between government and business, it would mark a significant shift in the way we're governed here."

Speculation immediately began about other reasons Mr. Li might be withholding such a large investment. With businesses in shipping, telecommunications, oil and retailing, as well as vast amounts of real estate, the possibilities are numerous.

Albert Cheng, the city's most popular radio phone-in host, said his switchboard on Commercial Radio here was eight Wednesday morning with callers about Mr. Li. The tycoon's remarks amounted to "an attack on the government," said Mr. Cheng.

Some analysts speculated that in a highly competitive, recession-plagued telecommunications industry, Mr. Li

might be trying to wring concessions from the government that would save some money for his company, Hutchison Telecom, which is competing with Hong Kong Telecom.

Others said that Mr. Li's swipe at contract law may be linked to criticism he has received from pro-democracy legislators over his company's decision to sue homeowners who have defaulted on purchase contracts at some of his housing developments.

With the economy in recession, property prices in Hong Kong are down 50 percent from their height 18 months ago.

Whatever the reason for Mr. Li's remarks, they are significant because they indicate a possible souring of the government-business relationship 18 months after China took over Hong Kong.

Most of the business elite here may have loathed the pro-democracy policies of Britain's last governor, Chris Patten, but under China the territory is run by Tung Chee-hwa, the conservative shipping tycoon.

It is hard to dispute the notion that Hong Kong has an extremely business-friendly government. Not only have the authorities removed all public land from the market in an effort to support real estate prices — the main asset of Mr. Li



Courtesy of AP Wirephoto

Mr. Li rarely comments on politics.

and similar tycoons — but the government also carried out an unprecedented \$15 billion intervention in the stock market in August in an effort to prop up prices.

Among the biggest beneficiaries of that operation: Mr. Li's flagship Citicorp (Holdings) Ltd., now more than 10 percent owned by the taxpayers of Hong Kong.

### Rumors of Ford Deal Give Car Shares a Lift

*Takeover Talk Focuses on BMW and Volvo*

By John Schmid  
*International Herald Tribune*

said Eberhard von Kuenheim, the supervisory board chairman.

At Ford's headquarters near Detroit, a spokesman, John Spelich, declined to comment "on any speculation or rumor regarding mergers or acquisitions." At the close of trading in Frankfurt, BMW shares had risen 26 Deutsche marks, to 1,209 DM (\$723.09). Shares of Volvo, Sweden's largest automaker, ended with a gain of 20 kronor, rising to 195 kronor (\$24.36).

Traders also bid other carmakers higher. Volkswagen AG shares gained 4 DM, to 135 DM. In Italy, Fiat SpA rose 190 lire, to 5,472 lire (\$3.31).

The expectations of a deal stem in large part from the acquisition of Chrysler Corp. this year by Daimler-Benz AG. That deal put pressure on other companies to match the scope of the new DaimlerChrysler's global operations, product range and massive economies of scale, analysts said.

With European carmakers wrestling with 20 percent more capacity than they need in their plants and a looming slowdown expected next year for many of the world's vehicle-makers, analysts say the pressure to consolidate has increased.

Much of the attention has shifted to Ford, the world's No. 2 automaker behind General Motors Corp., because it has been losing market share in Europe, said Robert Halver, analyst in Frankfurt at the bank Dierckx & Co. Ford currently has a 9.7 percent market share in Western Europe, down from 12 percent at the start of 1994.

"The theoretical logic for Ford is for them to take over a European company and have them run Ford's European operations," said Jorgen Roethig, analyst in Frankfurt at B. Metzler & Co.

In addition to Ford, Fiat and Volkswagen are believed to be interested in BMW, analysts said.

Both Volvo and BMW increasingly have been cited as takeover targets because both lack the global reach or breadth of products of their biggest competitors. The flurry of interest over BMW's deal overshadowed the company's latest sales report. BMW said that 1998 new-car deliveries had risen 3.4 percent to more than 700,000, that orders were up 8 percent and that earnings would outstrip last year's levels.

### Europeans Push Consolidation on 2 Fronts

#### Bridge News

**LONDON** — The consolidation of the European military and aerospace industry took a big step forward Wednesday with the creation of two new companies that bring together several international partners.

General Electric Co. of Britain and Finmeccanica SpA of Italy said that, as planned, they had formed a military and electronics joint venture with estimated sales of \$1 billion (\$1.6 billion). The new company, Alenia Marconi Systems, will focus on ground, naval and missile systems and on air traffic control.

GEC and Finmeccanica are two of the four companies that confirmed that they would merge their satellite activities to form Europe's first full-range space equipment company. The other partners in the new concern, which has yet to be named, are Lagardere Group of France and DaimlerChrysler Aerospace of Germany. The company will have revenue

of more than \$3 billion and about 11,000 employees.

GEC said Tuesday that it would split its civil activities from its military and aerospace operations, an announcement viewed as the precursor to a combination of some kind. Recent market speculation, however, had seen a merger with British Aerospace PLC as likely.

Unlike the U.S. defense and aerospace sector, the business in Europe has been slow to consolidate. A year ago, European governments called for their aerospace companies to merge into a unified group to compete more effectively against larger U.S. rivals.

BAe and DaimlerChrysler Aerospace, known as DASA, have tried to work out a three-way alliance with Aerospatiale of France. However, BAe and DASA are reluctant to link with Aerospatiale while it remains under the control of the French state, which in turn wishes to preserve its influence over the group.



Courtesy of AP Wirephoto  
Muscovites shopping for toys, left, and Diddl, the new hit in Austria

### Global Santa Carries a Mixed Bag

By T. R. Reid  
*Washington Post Service*

**LONDON** — In coffee-crazed London, it's a solar-powered cappuccino maker. In high-tech Helsinki, it's a palm-sized Internet terminal. In miniature-minded Tokyo, it's the world's lightest cellular phone — smaller and lighter than a plastic comb. In Frankfurt, it's a \$30 yo-yo with a built-in clutch; in Nairobi, it's a simpler yo-yo that goes for 60 cents or so. And in Vienna, it absolutely has to be Diddl.

As Santa Claus packs his sleigh for Christmas 1998, there are a few gifts that he can take just about anywhere. Furby is popular around the world this Christmas, Barbie is still borderless, and Lara Croft, the "virtual babe" who stars in the Tomb Raider series of video games, transcends language barriers and sells everywhere.

For the most part, though, the hot toys and gifts around the world this year are products reflecting local passions and fashions. A survey finds that this year's Christmas lists have striking geographic variations, and there is no single item that has created global fervor the way the Teletubbies did a year ago.

In Japan, a non-Christian country that has turned Christ's birthday into an annual pageant of conspicuous consumption, retailers expect a slowdown this year, with toy sales down about 10 percent. But video and computer games remain successful; Sega expects to sell every copy it can make of its new Dream Cast game.

Japan also is the scene of a huge market battle among tiny products, as cellular phone makers compete to make the smallest and lightest models. There are several pocket phones available that weigh less than 100 grams (3.4 ounces), and two makers have introduced phones weighing less than 70 grams (2.4 ounces).

Finland is famous for afternoon tea, but the Starbuck invasion has created a boom for coffee-drinking, particularly among the young and trendy. That perhaps explains why the \$50 "Solar Powered Milk Frother" — a hand-held device that whips coffee and cream into cappuccino — has been racing off the shelves at the tonier department stores.

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The new "hyper yo-yo," an American improvement on the traditional up-and-down toy, has sent yo-yo sales soaring around the world because its patented clutch arrangement makes tricks like Walking the Dog and Round the World much easier to perform.

The new yo-yo has been selling wildly in Western Europe. In Germany, the middle-of-the-line \$30 version is going gangbusters; London toy stores carrying a telephone in a purse or pocket. The hot new product is Nokia's Communicator, a device about the size of a cellular phone that provides portable, wireless Internet access.

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England is famous for afternoon tea, but the Starbucks invasion has created a boom for coffee-drinking, particularly among the young and trendy.

That perhaps explains why the \$50 "Solar Powered Milk Frother" — a hand-held device that whips coffee and cream into cappuccino — has been racing off the shelves at the tonier department stores.

The new "hyper yo-yo," an American improvement on the traditional up-and-down toy, has sent yo-yo sales soaring around the world because its patented clutch arrangement makes tricks like Walking the Dog and Round the World much easier to perform.

The new yo-yo has been selling wildly in Western Europe. In Germany, the middle-of-the-line \$30 version is going gangbusters; London toy stores carrying a telephone in a purse or pocket. The hot new product is Nokia's Communicator, a device about the size of a cellular phone that provides portable, wireless Internet access.

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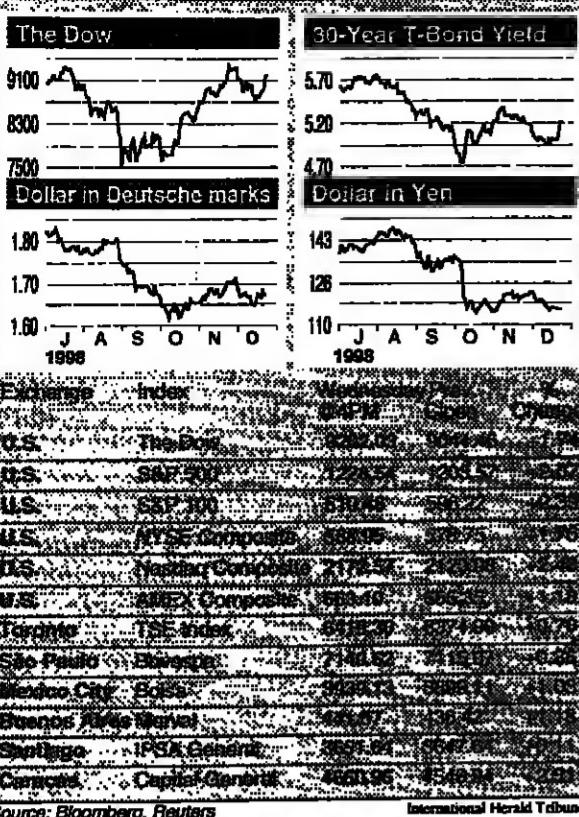
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#### Forward Rates

	1-day	2-day	3-day	Currency	1-day	2-day	3-day	7-day
America	1.685	1.686	1.687	U.S. dollar	1.685	1.686	1.687	1.688
Australia	2.412	2.413	2.415	Australian dollar	2.412	2.413	2.415	2.416
Denmark	1.562	1.563	1.564	Danish krone	1.562	1.563	1.564	1.565
London	1.697	—	1.698	Pound sterling	1.697	1.698	1.699	1.700
Norway	1.581	1.582	1.583	Norwegian krone	1.581	1.582	1.583	1.584
Sweden	1.581	1.582	1.583	Swedish krona	1.581	1.582	1.583	1.584
New York City	1.678	1.679	1.680	U.S. dollar	1.678	1.679	1.680	1.681
Tokyo	1.807	1.807	1.808</					

## THE AMERICAS

## Investor's America



Source: Bloomberg, Reuters

## Very briefly:

- Delphi Automotive Systems Corp., the auto parts unit of General Motors Corp., plans to sell 17.7 percent of its common stock in an initial public offering, the company said. The stock sale will leave Delphi with 565 million shares outstanding.
- Chile lowered interest rates for the fourth time in two months and moved to allow the currency to devalue, seeking to spur an economy braked by high borrowing costs and plummeting sales of copper and other exports. The central bank cut its target overnight lending rate to 7.8 percent, after inflation is taken into account, from 8.5 percent.
- Safety-Kleen Corp., a hazardous-waste recycling and disposal company, sold a 56 percent stake in its European unit to senior managers and to the British investment firm Electra Fleming Ltd. for \$154 million.
- Iridium LLC, the provider of the world's first satellite-based global telephone network, has secured about \$1.5 billion in financing from banks to keep its business going, the chief executive officer, Edward Staiano, said.
- Roger Anderson said he would resign as deputy assistant Treasury secretary for federal finance and return to Wall Street.
- Brazil's trade deficit was little changed last month as a slowing economy curbed demand for imports and exports slumped. The deficit fell to \$1 billion from \$1.025 billion in October, the Ministry of Trade and Industry said.
- CBS Corp., owner of the top rated CBS television network, named longtime board member David McLaughlin its nonexecutive chairman, replacing Michael Jordan, who steps down Jan. 1.
- Building One Services Corp., a building-management company, said it had agreed to merge with Boss Investment LLC in a transaction valued at \$900 million.
- General Motors Corp., ending its allegiance to the model-year concept, will alter its product lineup on average every 28 days, top GM executives said.

Bloomberg, WP

# RJR Nabisco Unit Admits to Smuggling

By Christopher Drew  
New York Times Service

**NEW YORK** — A unit of RJR Nabisco Holdings Corp. has pleaded guilty to U.S. criminal charges stemming from a scheme to smuggle cigarettes into Canada through an Indian reservation in upstate New York and agreed to pay \$15 million in penalties.

The authorities said the guilty plea, filed Tuesday in federal District Court in Binghamton, New York, marked the first time that a tobacco company had been convicted of complicity in the shadowy and growing world of international cigarette smuggling.

Experts estimate that nearly one-fourth of the billions of American cigarettes sold overseas pass through smuggling rings set up to evade taxes and sell major brands at a discount. Critics have long contended that this trade could not go on without the industry's knowledge and support.

But while previous criminal investigations have led to charges against several midlevel managers, top executives at the large, multinational tobacco companies have always denied allegations that they encouraged or condoned any dealings with the contraband rings.

In entering the guilty plea, the RJR Nabisco subsidiary, Northern Brands International Inc., admitted that it helped distributors evade \$2.5 million in U.S. excise taxes on shipments, the authorities said, were ultimately smuggled into Canada to avoid high taxes on cigarettes there.

Thomas Maroney, the U.S. attorney in Syracuse, New York, said the four-year-old investigation was continuing. But he declined to say whether any officials at RJR Nabisco's main tobacco operation, R.J. Reynolds Tobacco Co., or other tobacco companies were under scrutiny.

Top executives and spokesmen at R.J. Reynolds, based in Winston-Salem, North Carolina, could not immediately be reached for comment. But Mr. Maroney said the company had agreed to cooperate with investigators and had taken steps to ensure that similar violations do not happen again.

Bloomberg News quoted a lawyer for R.J. Reynolds, C. Stephen Heard Jr., as saying that the company "regrets this episode." According to the news service, Mr. Heard said that Northern Brands' actions were "inconsistent with the way Reynolds does business" and that Reynolds had closed Northern Brands.

The charges against Northern Brands arose from an investigation that has led to guilty pleas by more than 20 people involved in smuggling hundreds of millions of dollars worth of alcohol and cigarettes into Canada. Court documents released during the investigation showed that R.J. Reynolds, the second-largest American cigarette maker next to Philip Morris Cos., sponsored trips to a luxury Canadian fishing resort for several distributors who lived in upstate New York and who smuggled cigarettes into Canada.

The smuggling took off after Canada raised taxes in the 1980s and the early 1990s to discourage cigarette consumption, one of the first countries to try this approach. The taxes did not apply to exports, and affiliates of the three biggest companies — Philip Morris, R.J. Reynolds and BAT Industries PLC — started shipping large amounts of Canadian brands, such as Players and Export A, to the United States even though few Americans smoke them.

Mr. Maroney said that without paying either the Canadian or the American taxes, distributors then moved the cigarettes back into Canada through the St. Regis Mo-

## Kimberly To Buy Firm

Reuters

**DALLAS** — Kimberly-Clark Corp. agreed Wednesday to acquire Ballard Medical Products, a Utah-based maker of disposable medical devices, for about \$764 million.

Under the agreement, Ballard shareholders are to receive \$25 in Kimberly-Clark stock for each Ballard share.

With the acquisition, Kimberly-Clark will broaden its health-care product offerings, adding Trach Care, the leading brand in respiratory suction catheters, to its line of surgical products.

Ballard, which said it expects the deal to close early in 1999, sells more than 80 percent of all closed-suction catheters used in U.S. hospitals.

The combined health-care business is expected to have annual sales of \$700 million in 1999.

Kimberly-Clark shares rose 75 cents to close at \$34, while Ballard shares closed down \$1 at \$24.125.

hawk Indian Reservation in upstate New York, with the help of some Indian leaders who also have been convicted in the case.

■ **Icahn Raises Stake to 5.6%**

The financier Carl Icahn has raised his stake in RJR Nabisco to 5.6 percent and renewed his call for the company to spin off its Nabisco cookie and cracker business,

Bloomberg News reported.

Mr. Icahn will seek to elect directors who would back a spinoff at RJR's May 12 annual meeting if the company has not spun off its 30.6 percent stake in Nabisco Holdings Corp. by then, according to a Securities and Exchange Commission filing.

The yield on Japan's benchmark

10-year bond jumped to 1.90 percent on Tuesday, its biggest one-day gain, after Japan's Ministry of Finance said it would cease outright purchases of long-dated government bonds beginning in January. On Oct. 7, the benchmark bond's yield reached a record low 0.695 percent.

"People are realizing that higher yields will attract money, especially from fund managers seeking to diversify," said Charles Spence of ING Barings Capital Securities.

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## EUROPE

**Business Climate Dims in Germany and France**

Compiled by The Staff/Peter Diewert

**PARIS** — The business climate in Germany and France is deteriorating as the economies, the economic engines of Europe, prepare for the adoption of a single currency, reports showed Wednesday.

But if the reports indicate that a slowdown in the European economy is imminent after the introduction of the euro on Jan. 1, consumers apparently have not gotten the message. Other surveys showed that the public remains upbeat, with consumer confidence in Germany rising to a record and consumer spending in France remaining robust.

The Ifo Institute for Economic Research said that the German construction and retailing industries recorded declines in sales in November, with many manufacturers slowing production and expecting to

lay off workers amid a drop in foreign demand for their products.

The climate in the manufacturing industry has worsened again amid receding demand," the institute said. For example, construction companies said their situation was "fairly unfavorable" as bad weather slowed construction output.

Meanwhile, French business confidence fell to an 18-month low in December, indicating that France may see growth curbed by a stamp in exports caused by recession in Asia. The government's index of output expectations fell to minus 8 points in December from minus 5 in November.

"The figures argue for a rate cut by the European Central Bank as soon as possible," said Philippe Brossard, an economist at ABN-AMRO Finance.

But the bank, which will manage monetary policy for the 11 members of the euro zone, suggested Tuesday, in its last meeting before the introduction of the euro, that no such reduction was imminent.

If European economies ride out the storm generated by the Asian economic crisis, it may be because of strong consumer spending.

Figures from Germany indicate that consumer confidence in Europe's largest economy remains high. The Ifo research institute said its consumer-confidence index rose 3 points to 103 in November, the highest since German unification in 1990.

And in France, household spending, which the government is counting on to prop up the economy, rose 0.1 percent last month. Although that was below expectations, it was

still up 5 percent on a yearly basis.

"Overall the figures are not so worrying, because household morale is still high and unemployment, which is already on the way down, should continue to decline in the coming months," said a Credit Lyonnais economist, Herve Gouletquer.

Despite the strength in consumer spending, many of the big economies in the euro zone are experiencing low inflation. In France, consumer price data published Wednesday showed that inflation, suppressed in large part by falling oil and commodity prices, is subdued — with prices flat in November and up just 0.3 percent on a yearly basis. And in Western Germany, consumer prices fell 0.1 percent to the month through mid-December. (Bloomberg, Reuters)

**Preussag Set To Buy Into Thomas Cook**

Compiled by The Staff/Peter Diewert

**HANNOVER** — Preussag AG, which has transformed itself from a steelmaker into Europe's biggest tourism company, said Wednesday it would buy 24.9 percent of Britain's Thomas Cook Group and had an option to raise the stake to a controlling one.

Preussag did not say how much it paid for the stake, which it bought from Westdeutsche Landesbank. The bank has owned Cook since 1992 and also is Preussag's largest shareholder.

Preussag said it would increase its stake in Cook to 50.1 percent by Sept. 30, pending permission from German antitrust authorities.

The agreement to take control of Cook comes just a week after Preussag offered to buy First Reisebüro Management GmbH & Co. KG of Germany. First, which is 22 percent owned by WestLB, would add 600 travel agencies and 3.3 billion Deutsche marks (\$1.98 billion) in sales to Preussag's business.

Preussag already owns Hapag-Lloyd AG and Touristik Union International. It said its existing travel business has annual sales of about 10 billion DM. Total sales for the 1998 financial year were 35 billion DM.

The Cook deal gives Preussag a foothold in Europe's second-biggest market for package tours. "Hapag-Touristik Union, through the acquisition of Thomas Cook, gains strategically important access to the U.K. market," said Michael Frenzel, the Preussag chairman.

Preussag probably paid between 500 million DM and 750 million DM for the initial 24.9 percent stake, said Patrick Shields, an analyst at Paribas in London.

Preussag's shares rose 5 DM, to 735 DM, on the Frankfurt stock exchange. By pushing up the share price, investors have endorsed Preussag's shift to tourism.

Through Cook, Preussag will gain access to travel businesses in Britain, Canada, Australia and India. The company, which had 1997 sales of about 3.1 billion DM, is the world's largest issuer of travelers' checks outside the United States. It also runs a 14-plane charter fleet and owns package tour brands.

Speculation that Preussag might be interested in Cook was sparked in October, when Mr. Frenzel expressed interest in the company shortly after plans for a joint venture in Britain between Cook and Carlson Cos. of the United States was announced. Carlson and Cook remain in negotiations, Preussag said.

(Bloomberg, Bridge News)

**East Germans Seek the Right to Shop Late**

By John Schmid

International Herald Tribune

**FRANKFURT** — In a season of shopping, East Germans are preparing what they see as a gift of hope for those who yearn to browse longer than the nation's strict store-closing hours allow.

Led by the eastern state of Saxony, which has often taken pride in rebelling against West German regulations, the economics ministers of all five Eastern states have called on the federal government to consider the further liberalization, or even abolition, of the 1956 law that limits opening hours.

Scoring the regulations as "snuff-outs" and anti-consumer, the economics minister of the Eastern state of Saxony, Kajo Schommer,

said he had a new tool to attack the shopping rules, which remain nearly sacrosanct to many West German shop owners.

An East German court last week rejected a suit from six Leipzig merchants who complained that glitzy new shops in the renovated main train station put them at a disadvantage by staying open until 10 P.M.

The smaller merchants wanted the glassy, three-level mall in the train station, which lies on the edge of the historic old town, to close at 8 P.M., when the shops in the city center are required to shut on weekdays.

Most merchants countered that they were exploiting a legal loophole that exempts shops in airports and train stations from the earlier

closing requirement, ostensibly to help travelers.

Furthermore, in its ruling, the court in the city of Bautzen also created a legal precedent, Mr. Schommer maintains. The court argued that the store-hours law exists to protect store employees and not to shield retailers themselves from competition, the argument generally made in favor of the shop-closing law.

Brandingish the decision, Mr. Schommer said the ruling effectively made store-hour regulations obsolete because labor contracts already exist to protect retailing staff and because negotiated contracts amount to a better guarantee of employee rights anyway.

Other politicians this week con-

tended that the ruling would have

national significance. A spokesman for the Berlin city government said the court had inspired the city's efforts to exempt large swaths of the city center from the laws. If successful, that might eventually free such stylish districts as the newly rebuilt Potsdamer Platz to stay open later.

The West German state of Schleswig-Holstein also seized on the ruling to support its own initiative.

It argues that the ruling is just another blow to what has become an ineffective form of employee protection and thus is all but obsolete. The state created a working group that will meet Jan. 29 with other states to sound out support for the complete abolition of store-hour laws.

**Euro: Single Currency Will Add New Volatility to World Markets, Bankers Say**

Continued from Page 1

in much larger volumes, more complex transactions and a wider range of currencies. Corporate treasurers and investment managers are demanding more sophisticated options to hedge their business operations or investment holdings around the globe, a trend that has been given a fillip by the devaluation of Asian currencies over the past 18 months.

Meanwhile, technology has enabled global banks to poach business that was once the preserve of local banks. J.P. Morgan, for instance, uses the World Wide Web to put its currency analytic tools and research directly into the hands of

local fund managers across Europe. "It has made it easier for wholesale banks to reach into the franchise of second-tier players," Mr. Juncker said.

The results are dramatic. J.P. Morgan's foreign-exchange trading revenues totaled \$393 million in the first nine months of this year, a period when trading volumes between European currencies evaporated, compared with \$315 million for all of 1993, a year when European markets were convulsed by devaluations.

Overall, the top 20 banks handle 69 percent of the \$637 billion of daily currency trading in London, of which 40 percent goes to the Bank of England's

82 percent of currency and interest-rate options and other derivatives, a market worth \$171 billion a day, the Bank of England reported earlier this year. And that was before the mergers of Union Bank of Switzerland and Swiss Bank Corp., and Deutsche Bank AG and Bankers Trust Corp., all major currency traders.

Today, bankers say the market is

really dominated by five to 10

banks, and at times of extreme vol-

atility, even less. When the dollar plunged by 11 percent against the yen in early October, bankers say that fewer than five banks quoted a full range of currency and option prices throughout the day.

The big question is whether that

dollar-yen swing, a move unprecedented in 25 years of floating exchange rates, offered a taste of the volatility of the post-euro world. Many currency experts suspect it did. The concentration of trading in fewer hands "has led to a greater discontinuity of price action than we were used to even five years ago," Mr. Whittaker said.

"There are fewer and fewer par-

ticipants willing to transact on their own account," Graham Edwards, head of currency sales at Merrill Lynch & Co. in Europe, agreed.

"The capacity we have to move large amounts obviously diminishes as the number of counterparties decreases," he said.

**WORLD STOCK MARKETS**

Wednesday, Dec. 23

Daily prices in local currencies:

Stock Indexes

High Low Close Prev.

High Low Close Prev.

Amsterdam AEX Index: 1774.13

Previous: 1753.28

Copenhagen Stock Index: 328.24

Previous: 325.37

Frankfurt DAX Index: 3257.77

Previous: 3257.37

Hong Kong Composite Index: 12,456.87

Previous: 12,427.17

Tokyo Nikkei 225 Index: 11,100.00

Previous: 11,070.00

Paris CAC 40 Index: 11,110.00

Previous: 11,070.00

London FTSE 100 Index: 1,110.00

Previous: 1,105.00

Milan MIB Index: 11,100.00

Previous: 11,050.00

Paris CAC 40 Index: 11,110.00

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## INTERNATIONAL INVESTING

**Triumph of the Monster-Caps in 1998: Bigger Meant Better**

Washington Post Service

**WASHINGTON** — While Internet dizzlers such as Amazon.com Inc. and eBay Inc. have been getting most of the attention this year, the real stars of the market have been the biggest stocks.

Nothing subtle, just big.

Across the board, the so-called monster-caps have triumphed. The 10 biggest stocks at the beginning of 1997 have returned 53 percent this year. Mean-

while, the Dow Jones industrial average, which once represented the biggest U.S. firms but now has embarrassing omissions, has returned just 14 percent.

Big used to be dumb and muscle-bound. Now big can be smart and beau-

tiful. In fact, if large companies aren't nimble, they fall from grace very swiftly in today's viciously competitive environment.

As a result, the largest stocks today —

as measured by market capitalization (or the total value investors place on their shares) — do not include behemoths of the past such as General Motors Corp. or AT&T Corp. They do not include huge manufacturers such as Boeing Co. or even consumer products giants such as Procter & Gamble Co.

Instead, the list stresses innovation, brain power and marketing savvy — and, as always, great brand names.

The leader is Microsoft Corp. (symbol: MSFT), the software giant, which earlier this year streaked past General Electric Co. (GE) to become the country's largest stock with a market cap of \$345 billion. Microsoft has more than doubled this year despite antitrust prosecution by the U.S. Justice Department.

**CITPORTFOLIOS S.A.**

58, Boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg  
R.C. Luxembourg B 28121

Effective December 21, 1998, Citibank NA, London has been appointed Investment Manager for CitiPortfolios Italian Equity CitiPortfolio in lieu of Citibank N.A., Milan.

Citiportfolios S.A.

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**Herald Tribune**

INTERNATIONAL DAILY NEWSPAPER

THE WORLD'S DAILY NEWSPAPER

**On Investing/JAMES K. GLASSMAN**

Since few investors set out to buy the biggest stocks (it's too easy), you can't find mutual funds that concentrate on them. But here's the next best thing: the Douglas Theory, a simple system developed by Leslie Douglas, a partner in the venerable Washington investment firm Folger Nolan Fleming Douglas Inc.

The guts of the system is picking monster-caps on the Nasdaq Stock Market, which includes some of the country's largest and fastest-growing companies. The formula: Put equal amounts in the five most valuable (that is, largest-cap) stocks on the Nasdaq at the start of the year, hold for 12 months, repeat.

The system returned an annual average of 32 percent from 1991 to 1997.

beating the Dow, which returned just 17 percent. This year, the Douglas Theory has gone through the roof. The five stocks are up an incredible 122 percent. Microsoft, of course, leads the list, followed by Intel Corp. (INTC), the semiconductor maker; Cisco Systems Inc. (CSCO), which dominates the market for computer-networking products; MCI WorldCom Inc. (WCOM), the long-distance and Internet telecommunications firm, and Dell Computer Corp. (DELL), which focuses on direct-order PCs.

By the way, the Douglas Theory list remains the same for 1999, the first time since 1993 that there hasn't been a change.

Microsoft is the largest stock on U.S. exchanges. Second-place GE, traded on the New York Stock Exchange, is a brilliantly managed conglomerate with

interests that include jet engines, light bulbs, broadcasting and finance. GE has had a decent year as well, returning 36 percent and boosting its market cap to \$323 billion. While Microsoft does not pay a dividend, GE just increased its payout by 17 percent, to \$1.40 a year.

Next in the current top 10 is Intel, which languished during the first half of the year and, since then, has nearly doubled despite the recession in Asia.

Its market cap is \$199 billion.

**Give the Gift Of Dividends**

Washington Post Service

**WASHINGTON** — Give the present that keeps on giving — stocks that pay dividends, especially ones that keep rising.

Take H.J. Heinz Co. (HNZ), the ketchup folks. It's hardly a go-go company, yet its annual payout has risen from 31 cents in 1983 to \$1.02.

As of Tuesday, the next seven stocks were Exxon Corp. (XON), a market cap of \$182 billion (the merger with Mobil Corp. will move the company into third place), the only commodity business on the list; Merck & Co. (MRK), the pharmaceutical house, which has surged 42 percent this year, at \$176 billion; Wal-Mart Stores Inc. (WMT), which has doubled in 1998; Coca-Cola Co. (KO), flat this year after fizzing up 162 percent in the previous three; International Business Machines Corp. (IBM), up 72 percent in 1998; Pfizer Inc. (PFE), up more than 50 percent on sales of Viagra; and Cisco.

What is remarkable about these monster-caps is that two of the top three and five of the top 10 aren't even included in the 30 stocks of the Dow, which is

beginning to creak with age.

Another way to buy large-caps is through the Maryland-based Rydex OTC Fund (1-800-820-0888) within the United States, whose portfolio is constructed to mimic the Nasdaq 100, an index that is heavily weighted toward the five stocks of the Douglas Theory. In fact, Microsoft, Intel, Cisco, MCI WorldCom and Dell make up 62 percent of the value of the fund, which has returned 83 percent this year.

Another large-cap winner, Janus Twenty (1-800-525-3713), held four of the 10 monster-caps in its own top 10.

The four represented 24 percent of the fund's holdings as last report. Janus Twenty, a low-expense, no-load fund, has returned 66 percent this year.

Why have the monster-caps done so well? First, money managers have lately been favoring liquidity — that is, stocks with lots of valuable shares outstanding — so that they can bail out from what they see as lofty heights without forcing down prices. In addition, businesses with size have big benefits in global

markets — especially at a time when it is difficult to raise prices. Big, brassy brand names have more clout worldwide.

Also, by definition, monster-caps are big because they're good at what they do. They attract the dollars of investors because they have been successful. And success, even in a hotly competitive world, tends to breed success.

But not, of course, forever. Two companies that were in the top 10 at the start of the year — Royal Dutch Petroleum Co. (RD), which is based in the Netherlands but trades on the New York Stock Exchange, and Philip Morris Cos. (MO), once No. 3 — have dropped off.

And the cycle that has favored large-caps for the past four years may soon shift toward small- and mid-caps again. But even if it does, every portfolio should include a healthy dose of monster-caps for the long run.

E-mail address: jkglassman@comcast.net

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Defense C

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For information please contact,  
Katy Houri: Fax (33-1) 41 43 92 12 or e-mail: funds@ht.com

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SEAN CLARK BANK PLC	£1.00	SEAN CLARK BANK PLC	£1.00	SEAN CLARK BANK PLC	£1.00
MONTE CARLO BANK PO 3000/PO 3000/PL 212300	14.07	MONTE CARLO BANK PO 3000/PO 3000/PL 212300	14.07	MONTE CARLO BANK PLC	£1.00
ABN AMRO Bank NL (A)	1.00	ABN AMRO Bank NL (A)	1.00	ABN AMRO Bank NL (A)	1.00
ABN AMRO Bank NL (B)	1.00	ABN AMRO Bank NL (B)	1.00	ABN AMRO Bank NL (B)	1.00
ABN AMRO Bank NL (C)	1.00	ABN AMRO Bank NL (C)	1.00	ABN AMRO Bank NL (C)	1.00
ABN AMRO Bank NL (D)	1.00	ABN AMRO Bank NL (D)	1.00	ABN AMRO Bank NL (D)	1.00
ABN AMRO Bank NL (E)	1.00	ABN AMRO Bank NL (E)	1.00	ABN AMRO Bank NL (E)	1.00
ABN AMRO Bank NL (F)	1.00	ABN AMRO Bank NL (F)	1.00	ABN AMRO Bank NL (F)	1.00
ABN AMRO Bank NL (G)	1.00	ABN AMRO Bank NL (G)	1.00	ABN AMRO Bank NL (G)	1.00
ABN AMRO Bank NL (H)	1.00	ABN AMRO Bank NL (H)	1.00	ABN AMRO Bank NL (H)	1.00
ABN AMRO Bank NL (I)	1.00	ABN AMRO Bank NL (I)	1.00	ABN AMRO Bank NL (I)	1.00
ABN AMRO Bank NL (J)	1.00	ABN AMRO Bank NL (J)	1.00	ABN AMRO Bank NL (J)	1.00
ABN AMRO Bank NL (K)	1.00	ABN AMRO Bank NL (K)	1.00	ABN AMRO Bank NL (K)	1.00
ABN AMRO Bank NL (L)	1.00	ABN AMRO Bank NL (L)	1.00	ABN AMRO Bank NL (L)	1.00
ABN AMRO Bank NL (M)	1.00	ABN AMRO Bank NL (M)	1.00	ABN AMRO Bank NL (M)	1.00
ABN AMRO Bank NL (N)	1.00	ABN AMRO Bank NL (N)	1.00	ABN AMRO Bank NL (N)	1.00
ABN AMRO Bank NL (O)	1.00	ABN AMRO Bank NL (O)	1.00	ABN AMRO Bank NL (O)	1.00
ABN AMRO Bank NL (P)	1.00	ABN AMRO Bank NL (P)	1.00	ABN AMRO Bank NL (P)	1.00
ABN AMRO Bank NL (Q)	1.00	ABN AMRO Bank NL (Q)	1.00	ABN AMRO Bank NL (Q)	1.00
ABN AMRO Bank NL (R)	1.00	ABN AMRO Bank NL (R)	1.00	ABN AMRO Bank NL (R)	1.00
ABN AMRO Bank NL (S)	1.00	ABN AMRO Bank NL (S)	1.00	ABN AMRO Bank NL (S)	1.00
ABN AMRO Bank NL (T)	1.00	ABN AMRO Bank NL (T)	1.00	ABN AMRO Bank NL (T)	1.00
ABN AMRO Bank NL (U)	1.00	ABN AMRO Bank NL (U)	1.00	ABN AMRO Bank NL (U)	1.00
ABN AMRO Bank NL (V)	1.00	ABN AMRO Bank NL (V)	1.00	ABN AMRO Bank NL (V)	1.00
ABN AMRO Bank NL (W)	1.00	ABN AMRO Bank NL (W)	1.00	ABN AMRO Bank NL (W)	1.00
ABN AMRO Bank NL (X)	1.00	ABN AMRO Bank NL (X)	1.00	ABN AMRO Bank NL (X)	1.00
ABN AMRO Bank NL (Y)	1.00	ABN AMRO Bank NL (Y)	1.00	ABN AMRO Bank NL (Y)	1.00
ABN AMRO Bank NL (Z)	1.00	ABN AMRO Bank NL (Z)	1.00	ABN AMRO Bank NL (Z)	1.00
ABN AMRO Bank NL (AA)	1.00	ABN AMRO Bank NL (AA)	1.00	ABN AMRO Bank NL (AA)	1.00
ABN AMRO Bank NL (BB)	1.00	ABN AMRO Bank NL (BB)	1.00	ABN AMRO Bank NL (BB)	1.00
ABN AMRO Bank NL (CC)	1.00	ABN AMRO Bank NL (CC)	1.00	ABN AMRO Bank NL (CC)	1.00
ABN AMRO Bank NL (DD)	1.00	ABN AMRO Bank NL (DD)	1.00	ABN AMRO Bank NL (DD)	1.00
ABN AMRO Bank NL (EE)	1.00	ABN AMRO Bank NL (EE)	1.00	ABN AMRO Bank NL (EE)	1.00
ABN AMRO Bank NL (FF)	1.00	ABN AMRO Bank NL (FF)	1.00	ABN AMRO Bank NL (FF)	1.00
ABN AMRO Bank NL (GG)	1.00	ABN AMRO Bank NL (GG)	1.00	ABN AMRO Bank NL (GG)	1.00
ABN AMRO Bank NL (HH)	1.00	ABN AMRO Bank NL (HH)	1.00	ABN AMRO Bank NL (HH)	1.00
ABN AMRO Bank NL (II)	1.00	ABN AMRO Bank NL (II)	1.00	ABN AMRO Bank NL (II)	1.00
ABN AMRO Bank NL (JJ)	1.00	ABN AMRO Bank NL (JJ)	1.00	ABN AMRO Bank NL (JJ)	1.00
ABN AMRO Bank NL (KK)	1.00	ABN AMRO Bank NL (KK)	1.00	ABN AMRO Bank NL (KK)	1.00
ABN AMRO Bank NL (LL)	1.00	ABN AMRO Bank NL (LL)	1.00	ABN AMRO Bank NL (LL)	1.00
ABN AMRO Bank NL (MM)	1.00	ABN AMRO Bank NL (MM)	1.00	ABN AMRO Bank NL (MM)	1.00
ABN AMRO Bank NL (NN)	1.00	ABN AMRO Bank NL (NN)	1.00	ABN AMRO Bank NL (NN)	1.00
ABN AMRO Bank NL (OO)	1.00	ABN AMRO Bank NL (OO)	1.00	ABN AMRO Bank NL (OO)	1.00
ABN AMRO Bank NL (PP)	1.00	ABN AMRO Bank NL (PP)	1.00	ABN AMRO Bank NL (PP)	1.00
ABN AMRO Bank NL (QQ)	1.00	ABN AMRO Bank NL (QQ)	1.00	ABN AMRO Bank NL (QQ)	1.00
ABN AMRO Bank NL (RR)	1.00	ABN AMRO Bank NL (RR)	1.00	ABN AMRO Bank NL (RR)	1.00
ABN AMRO Bank NL (SS)	1.00	ABN AMRO Bank NL (SS)	1.00	ABN AMRO Bank NL (SS)	1.00
ABN AMRO Bank NL (TT)	1.00	ABN AMRO Bank NL (TT)	1.00	ABN AMRO Bank NL (TT)	1.00
ABN AMRO Bank NL (UU)	1.00	ABN AMRO Bank NL (UU)	1.00	ABN AMRO Bank NL (UU)	1.00
ABN AMRO Bank NL (VV)	1.00	ABN AMRO Bank NL (VV)	1.00	ABN AMRO Bank NL (VV)	1.00
ABN AMRO Bank NL (WW)	1.00	ABN AMRO Bank NL (WW)	1.00	ABN AMRO Bank NL (WW)	1.00
ABN AMRO Bank NL (XX)	1.00	ABN AMRO Bank NL (XX)	1.00	ABN AMRO Bank NL (XX)	1.00
ABN AMRO Bank NL (YY)	1.00	ABN AMRO Bank NL (YY)	1.00	ABN AMRO Bank NL (YY)	1.00</



NYSE

**Wednesday's 4 P.M. Close**

The 2,600 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere  
*The Associated Press.*

12 Month				S\$						
High	Low	Stock	Div Yld	PE	100s High	Low	Last	Latest	Chg.	%
22%	17%	AAR	8	34	1.4	17	285	24.0	22%	2.4%
22	26	ARM		54	1.7	23	217	32.4	23%	23%

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12 Month High	Low	Stock	Div	Yld	PE	100s	S			S			12 Month High	Low	Stock	Div	Yld	PE	100s	S			
							High	Low	Chg	High	Low	Chg								High	Low	Chg	
2114	15%	DovDov s	1.31	7.5	18	1116	17%	17%	-1%	—	—	—	1996	9	EntUrv	.30	8.3	8	146	97%	97%	7%	
2514	21%	DovDov s	2.07	8.7	12	132	24%	214	+24	—	—	—	504	22%	Flyover	.48	—	—	22	167	1574	557%	+1%
4394	23%	Doder	1.84	2.4	12	100	30%	29%	+1%	—	—	—	2314	9%	Frosted	.48	—	—	29	240	474	61	+6%
5734	31	Doder	1.57	—	13	1555	48%	45%	+2%	—	—	—	2304	9%	Frostic	.16	1.0	—	13	242	1574	154	+7%
3214	2004	DogPd	4.8	17	—	1113	26%	27%	+1%	—	—	—	2114	15%	Frostic	.15	—	—	11	212	1674	1794	+1%
5474	21%	DogPd	5.0	21	9	1121	24%	27%	+3%	—	—	—	2124	15%	Frostic	.12	1.23	—	11	212	1674	1794	+1%
5554	19%	Dobchek	3.4	1.4	21	2232	34%	34%	+2%	—	—	—	2134	15%	Frostic	.15	—	—	13	154	174	174	+1%
4494	26%	Dobldrs	1.6	4	18	1492	20%	21%	+1%	—	—	—	2144	15%	Frostic	.4.9	—	—	13	153	154	174	+1%
3314	17%	Dobm	2.0	8	18	1222	25%	24%	+1%	—	—	—	2154	15%	Frostic	.15	—	—	13	154	174	174	+1%
2674	6%	Domin	3.6	5.1	51	823	7	6	+1%	—	—	—	2164	15%	Frostic	.15	—	—	13	154	174	174	+1%
2714	22%	DiscArt	21	7	—	35376	13	51	+3%	—	—	—	2174	15%	Frostic	.15	—	—	13	154	174	174	+1%
4244	22%	DiscArt	21	7	—	35376	13	51	+3%	—	—	—	2184	15%	Frostic	.15	—	—	13	154	174	174	+1%
5494	24%	DiscArt	2.06	7.5	—	35376	13	51	+3%	—	—	—	2194	15%	Frostic	.15	—	—	13	154	174	174	+1%
3744	20	Dolling	13	15	12	32157	25%	24%	+1%	—	—	—	2204	11%	Frostic	.15	—	—	13	205	245	239	+4%
4344	30%	DongHsi N	1.5	5.5	—	338	34%	34%	+2%	—	—	—	2214	15%	Frostic	.15	—	—	13	154	174	174	+1%
2414	84	DotTh Th	1.1	—	18	1541	10%	10%	+1%	—	—	—	2224	11%	Frostic	.28	2.4	—	13	225	125	174	+1%
4814	37%	Dompex	2.58	5.4	9	1749	10%	10%	+1%	—	—	—	2234	11%	Frostic	.28	2.4	—	13	225	125	174	+1%
2264	14%	Dompex	2.83	8.8	12	1629	14%	11%	+3%	—	—	—	2244	11%	Frostic	.28	2.4	—	13	225	125	174	+1%
2624	14%	Dompex	2.44	1.2	12	1629	14%	11%	+3%	—	—	—	2254	11%	Frostic	.28	2.4	—	13	225	125	174	+1%
3444	21%	Dompex	2.5	8	—	3739	10%	10%	+1%	—	—	—	2264	11%	Frostic	.28	2.4	—	13	225	125	174	+1%
2184	21%	Dompex	2.5	8	—	3739	10%	10%	+1%	—	—	—	2274	11%	Frostic	.28	2.4	—	13	225	125	174	+1%
1624	5%	Dorkon	1.9	2.5	9	1222	6%	5%	+1%	—	—	—	2284	22%	Gator	.1	—	—	13	112	774	39	+1%
48	23%	Dorlony	.4	2.5	21	2232	4%	4%	+1%	—	—	—	2294	9%	GCo S	.5	1.5	—	13	154	174	174	+1%
2234	21%	Dosnly	.4	2.5	14	342	4%	3%	+1%	—	—	—	2304	9%	GDP	.2	—	—	13	153	154	174	+1%
3344	25%	Dover	.4	1.2	13	4762	35%	33%	+2%	—	—	—	2314	15%	GDP	.04	—	—	13	154	174	174	+1%
1694	9%	Dover D	.18	1.5	13	1520	9%	8%	+1%	—	—	—	2324	15%	GDP	.04	—	—	13	154	174	174	+1%
10234	74%	DowCh	.24	3.7	12	4724	90%	87%	+3%	—	—	—	2334	15%	GDP	.04	—	—	13	154	174	174	+1%
2624	14%	DowCh	.24	3.7	12	4724	90%	87%	+3%	—	—	—	2344	15%	GDP	.04	—	—	13	154	174	174	+1%
2644	14%	DowCh	.24	3.7	12	4724	90%	87%	+3%	—	—	—	2354	15%	GDP	.04	—	—	13	154	174	174	+1%
1594	11%	DowHts	1.44	12.1	12	2984	13%	11%	+2%	—	—	—	2364	12%	GDE	.12	1.2	—	13	205	245	239	+4%
944	64%	DryGst	.75	8.2	12	152	9%	9%	+1%	—	—	—	2374	25%	STEDE	.1	1.5	—	13	160	114	114	+1%
1114	9%	DryGst	.61	4.1	25	2512	10%	9%	+1%	—	—	—	2384	22%	Gelco	.2	—	—	13	160	114	114	+1%
2214	11%	DryGst	.61	4.1	25	746	9%	9%	+1%	—	—	—	2394	22%	Gelco	.2	—	—	13	160	114	114	+1%
2414	11%	DryGst	1.40	2.8	26	2021263	5%	5%	+1%	—	—	—	2404	22%	Gelco	.2	—	—	13	160	114	114	+1%
2424	11%	DryGst	1.40	2.8	26	2021263	5%	5%	+1%	—	—	—	2414	22%	Gelco	.2	—	—	13	160	114	114	+1%
2434	11%	DryGst	1.40	2.8	26	2021263	5%	5%	+1%	—	—	—	2424	22%	Gelco	.2	—	—	13	160	114	114	+1%
1144	14%	DryGst	.76	4.9	12	242	15%	15%	+1%	—	—	—	2434	22%	Gelco	.2	—	—	13	160	114	114	+1%
1544	12%	DryHPC	1.17	7.8	12	7211	23%	24%	+1%	—	—	—	2444	22%	Gelco	.2	—	—	13	160	114	114	+1%
2154	47%	DukeEngy	2.2	2.0	12	2772	26%	25%	+1%	—	—	—	2454	22%	Gelco	.2	—	—	13	160	114	114	+1%
2514	21%	Dubkoff	1.36	1.5	12	1223	23%	22%	+1%	—	—	—	2464	22%	Gelco	.2	—	—	13	160	114	114	+1%
2474	21%	Dubkoff	1.36	1.5	12	1223	23%	22%	+1%	—	—	—	2474	22%	Gelco	.2	—	—	13	160	114	114	+1%
2584	21%	Dubkoff	1.36	1.5	12	1223	23%	22%	+1%	—	—	—	2484	22%	Gelco	.2	—	—	13	160	114	114	+1%
1714	2%	DucEnergy	.54	1.5	12	1503	10%	10%	+1%	—	—	—	2494	22%	Gelco	.2	—	—	13	160	114	114	+1%
1324	4%	DucEnergy	.54	1.5	12	1503	10%	10%	+1%	—	—	—	2504	22%	Gelco	.2	—	—	13	160	114	114	+1%
5614	37%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2514	22%	Gelco	.2	—	—	13	160	114	114	+1%
5714	35%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2524	22%	Gelco	.2	—	—	13	160	114	114	+1%
5814	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2534	22%	Gelco	.2	—	—	13	160	114	114	+1%
5914	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2544	22%	Gelco	.2	—	—	13	160	114	114	+1%
6014	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2554	22%	Gelco	.2	—	—	13	160	114	114	+1%
6114	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2564	22%	Gelco	.2	—	—	13	160	114	114	+1%
6214	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2574	22%	Gelco	.2	—	—	13	160	114	114	+1%
6314	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2584	22%	Gelco	.2	—	—	13	160	114	114	+1%
6414	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2594	22%	Gelco	.2	—	—	13	160	114	114	+1%
6514	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2604	22%	Gelco	.2	—	—	13	160	114	114	+1%
6614	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2614	22%	Gelco	.2	—	—	13	160	114	114	+1%
6714	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2624	22%	Gelco	.2	—	—	13	160	114	114	+1%
6814	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2634	22%	Gelco	.2	—	—	13	160	114	114	+1%
6914	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2644	22%	Gelco	.2	—	—	13	160	114	114	+1%
7014	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2654	22%	Gelco	.2	—	—	13	160	114	114	+1%
7114	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2664	22%	Gelco	.2	—	—	13	160	114	114	+1%
7214	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2674	22%	Gelco	.2	—	—	13	160	114	114	+1%
7314	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2684	22%	Gelco	.2	—	—	13	160	114	114	+1%
7414	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2694	22%	Gelco	.2	—	—	13	160	114	114	+1%
7514	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2704	22%	Gelco	.2	—	—	13	160	114	114	+1%
7614	34%	DUC Elec	1.42	2.1	12	5665	6%	5%	+1%	—	—	—	2714	22%	Gelco	.2	—	—	13	160	114	114	+1%
7714	34%	DUC Elec</																					

**Continued on Page 15**

NATIONAL HERALD TRIBUNE, THURSDAY-FRIDAY, DECEMBER 24-25, 1998

NASDAQ

**Wednesday's 4 P.M.**

The 1,600 most traded National Market securities  
in terms of dollar value, updated twice a year.  
*The Associated Press.*

NYSE

**Wednesday's 4 P.M. Close**

(Continued):

# Herald Tribune INTERNATIONAL SPORTS

THURSDAY-FRIDAY, DECEMBER 24-25, 1998

## WORLD ROUNDUP

## An Official Inquiry

**Olympics** The U.S. Justice Department opened an investigation on Wednesday into allegations of bribery in the awarding of the 2002 Winter Olympics to Salt Lake City.

A Justice Department prosecutor met in Salt Lake City with FBI and other law enforcement officials looking at accusations that members of the Utah bid committee used scholarships and other gifts and favors to buy the votes of International Olympic Committee members. IOC selects the Olympic host cities.

"We've opened an investigation into allegations of improprieties in connection with the Salt Lake City Olympics bid," a department spokesman said in Washington.

Until now, the department had said only that it was conducting a preliminary review. But law enforcement officials have now decided they have enough information to broaden the inquiry. (AP)

## Cricket Investigation Set

**Cricket** The Pakistani investigation into match-fixing in cricket will sit in Australia in January to take evidence from Shane Warne and Mark Waugh. Both the Australian and Pakistani cricket boards announced Wednesday that the two Australian test players, as well as a former Australian Cricket Board chairman, Alan Crompton, would go before the inquiry on Jan. 8.

(Reuters)

## New Year's Eve Honors

**Gymnastics** Sang Lan, the 17-year-old Chinese gymnast paralyzed in a fall during the Goodwill Games, will share the honor of lowering the ball in Times Square on New Year's Eve with Mayor Rudolph Giuliani of New York.

"This is a special honor, not only to me but also the Chinese people," Sang said at a news conference, trying out her newly learned English. "I'm very happy. I love New York. I love you all."

The lighted ball, perched atop a pole at One Times Square, descends for a minute, signifying the stroke of midnight when it hits bottom. Sang was chosen for the ceremony for her courage in dealing with the injury sustained during a practice vault on July 21. She has stayed in New York undergoing rehabilitation. (AP)



Sang Lan demonstrating the progress of her rehabilitation.

## Korda Dodges a Bullet

## Tennis Star Won't Be Banned for Drug Test

*The Associated Press*

**LONDON** — The International Tennis Federation chose not to suspend Petr Korda for failing a drug test at Wimbledon last summer because the ruling body believed he was unaware he took the substance, officials said Wednesday.

Korda, the 1998 Australian Open champion, tested positive for nandrolone, an anabolic steroid that is banned by tennis.

While critics said the ITF's decision not to suspend Korda raised doubts about the federation's commitment to a unified program to combat drugs in sports, a federation spokesman, Alan James, said Wednesday that his group was not taking a soft stance on drugs and that it intended to participate in the International Olympic Committee's drug summit in February.

James said the ITF had pursued Korda's case and followed procedure by allowing its independent appeals committee to make the ruling on his punishment.

However, the 30-year-old Czech lost 199 points in the rankings and forfeited \$94,529 in prize money he earned at Wimbledon.

Korda tested positive after the Wimbledon quarterfinal and later appealed, claiming he didn't know how the drug got into his system.

Jared said the ITF had not kept Korda's drug test secret, adding that the organization was simply following proper guidelines.

"Unlike a lot of other sports, we don't make results of drug tests public after A and B samples have been analyzed," he said. "We wait until the whole process is complete. Tennis is very keen on confidentiality, so the players remain innocent until proven guilty."



Petr Korda celebrating a match victory at Wimbledon last June.

Korda is the highest-profile tennis player to test positive for drugs since the former world No. 1 Mats Wilander and his doubles partner, Karol Novacek, returned positive tests for cocaine at the 1995 French Open.

An Australian Sports Drug Agency spokeswoman, Vicki Kapernick, said Wednesday that nandrolone was an artificial version of the hormone testosterone that could only be injected.

"It has a performance-enhancing effect and helps in muscle-building and recovery from injury while training," she said.

A Kuwaiti weightlifter tested positive for the steroid at the just-ended Asian Games in Bangkok.

The Sri Lankan star sprinter, Susantika Jayasinghe, is under investigation after testing positive for the drug earlier this year.

## Belgian Soccer Union Resolves Bosman Case

*Reuters*

**BRUSSELS** — The Belgian soccer union said it had agreed to pay the former player Jean-Marc Bosman 16 million Belgian francs to end the legal conflict that sparked the so-called Bosman case on free movement of players.

Bosman, 34, welcomed the out-of-court settlement with the Belgian union on Tuesday, which was worth the equivalent of \$467,000, and said he was now

## WORLD SOCCER

hoping to find a job again after years in the doldrums. "We closed the book, we turned its last page and it ended well," he said.

The Belgian union secretary-general, Jan Peeters, said at the union's headquarters: "I believe that both Jean-Marc Bosman and the union were fed up with this case, we were tired. Now it's all over. We're satisfied."

Bosman was claiming damages before the appeals court in the southern Belgian city of Liege in the wake of the 1995 European Court of Justice's "Bosman" ruling ending soccer's transfer system and limits on foreign players.

Bosman's case started in 1990 when his club, FC Liege, blocked a transfer to France's Dunkirk and later suspended him. Bosman took Liege, the Belgian soccer union and UEFA to court. The Liege appeals court then sought the Court of Justice's advice and still had to rule on the amount of damages.

Peeters said Bosman's claims totaled 72 million Belgian francs (\$2.1 million) in damages from UEFA and the Belgian union, but Bosman had already urged the union to settle out of court.

Bosman said he was satisfied with the amount even though it was not "extremely high" and he still had to pay.

some lawyers' fees. "But the appeal court could also have awarded me a lot less," he said.

Peeters denied that the soccer union was taking advantage of Bosman's financial problems to settle the case.

The Bosman case quickly inflated salaries of players and made the stars even richer as it allowed them to move freely to the highest bidding club once their contract expired.

By contrast, the nine-year legal battle has ruined Bosman, forced him to live on his parents' garage for nearly two years, and wrecked his marriage.

Asked whether it had been worth it, he said: "I believe so, everything ended very well. It was worth it because players clearly benefited from it all."

## ■ Brazil Tops FIFA Rankings

Brazil ended the year atop FIFA's world rankings with their World Cup conqueror, France, in second place, Reuters reported Wednesday from Zurich. Croatia, third-place finishers at France '98, jumped up 15 places from their year-end ranking in 1997 to No. 4, behind Germany.

## ■ Elton John Attacks Top Players

The rock star Elton John, who is chairman of the British division one team Watford, has stunned Britain's soccer establishment by describing Premier League players as lazy and overpaid. The Associated Press reported.

At a press conference with Watford's manager, Graham Taylor, John said, "The cost of players is spiraling out of control. People say the Premiership is the finest league in the world, but you can't say that from results in Europe. Then you see the players' attitudes; they are paid so much money and they are just strolling around the pitch."

## Making a List, Checking It Twice

Vantage Point/LEONARD SHAPIRO

**W**ASHINGTON — It's Christmas, so why not spread a little joy, and a few lumps of coal, around the National Football League as the last weekend of the regular season approaches.

## Offensive Most Valuable Player, National Football Conference:

Randall Cunningham, the Minnesota Vikings' quarterback, who has already thrown a career-high 32 touchdown passes for the Vikings (14-1), who need only 12

points against Tennessee on Saturday to break the league scoring record held by the 1983 Washington Redskins.

## Offensive MVP, American Football Conference:

Terrell Davis, the Denver Broncos' running back, who needs only 10 yards

this week against Seattle to become

only the fourth man to gain more

than 2,000 yards rushing in a single

season. Close second is Vinny Testaverde, the New York Jets' quarterback.

## Defensive MVP, NFC:

John Randle, the Viking defensive tackle, who lines up all over the

field and wreaks havoc wherever

he wanders. Deion Sanders was the

early choice, but he has missed too

much time to qualify.

## Defensive MVP, AFC:

Junior Seau, the San Diego Charger line-

backer, a tackling terror and inspirational leader on a defense that ranked among the league's best despite the offensive nightmare that was the rookie quarterback, Ryan Leaf.

## Rookie of the Year, offense:

Randy Moss, the Vikings' receiver,

never mind all the spectacular

catches, he has also made a major mark blocking downfield. Peyton Manning, who shattered many league rookie quarterback records, is a close second and a future MVP when the Indianapolis Colts surround him with better players.

## Rookie of the Year, defense:

Charles Woodson, the Oakland Raider cornerback, who, though his team slumped badly during the

second half of the season, demonstrated there is a life in the NFL

after winning the Heisman Trophy.

He also has Deion-like talent, and

may eventually see more action on offense.

## Coach of the Year, AFC:

Bill Parcells of the Jets. Two years after the 1-15 debacle under Rich Kotite, the Jets woo their first division title in 29 years.

## Coach of the Year, NFC:

John Gruden, the Vikings' coach.

He salvaged Cunningham's career. He

took a major gamble on Moss. His

offense is virtually unstoppable and he even had the discipline to drop 60 pounds.

## Play of the Year:

Amani Toomer's touchdown catch for the New York Giants to end the Browns' hopes for an unbeaten season.

## Comeback of the Year, player:

Reggie White, of the Green Bay Packers, who, after a back injury plagued him in 1997, has a chance to lead the NFL in sacks in what he says is his final season.

## Comeback of the Year, team:

The Buffalo Bills made the playoffs after an 0-3 start, thanks mostly to Doug Flutie. Honorable mentions go to the Redskins, 6-2 after 0-7, and the Giants, 4-7 early and still alive for the playoffs going into the final week.

## Number of the Year:

\$530 million, the price Al Lerner paid for an expansion Cleveland Browns franchise, soon to be topped by the mogul to be named later who buys the Redskins.

## Outrage of the Year:

Kevin Greene of the Carolina Panthers attacks his position coach and gets a one-game suspension. He is not Latrell Sprewell by any stretch of the imagination, but the league

should have come down harder after the Panthers' wrist slap.

## SCOREBOARD

## ICE HOCKEY

## NHL Standings

## NORTHERN CONFERENCE

## W L Pts GF GA

New Jersey 16 8 4 39 60 74

Philadelphia 14 9 5 36 74 76

Pittsburgh 13 7 3 35 72 73

Edmonton 11 12 3 31 70 71

Minnesota 10 19 2 26 62 94

## NORTHWEST DIVISION

## W 11 L 10 Pts GF GA

Toronto 11 11 2 40 75 90

Calgary 10 10 2 39 72 76

Edmonton 9 11 3 42 75 77

Vancouver 8 12 3 31 72 73

## SOUTHEAST DIVISION

## W 10 L 12 Pts GF GA

Atlanta 10 12 3 35 73 78

Washington 9 17 3 21 68 78

Tempe 8 21 3 19 66 74

## WESTERN CONFERENCE

## W 11 L 10 Pts GF GA

Detroit 11 10 3 45 82 82

St. Louis 11 10 8 30 77 77

Nashville 11 16 3 42 75 72

Chicago 9 19 4 22 71 75

## CENTRAL CONFERENCE

## W 10 L 11 Pts GF GA

Buffalo 10 11 3 45 76 72

Montreal 10 11 3 45 76 72

Calgary 10 12 3 45 75 72

Colorado 10 12 3 45 75 72

## MIDWEST CONFERENCE

## W 10 L 12 Pts GF GA

Chicago 10 12 3 45 75 72

Detroit 10 11 3 44 74 72

Minneapolis 10 11 3 44 74 72

St. Paul 10 11 3 44 74 72

Winnipeg 10 11 3 44 74 72

## SPORTS

**Red-Hot Effort Propels the Blue Devils**

By Joe Drape  
New York Times Service

**EAST RUTHERFORD**, New Jersey — How this game was to be played was decided early, barely eight minutes after tip-off. The decision was dictated from the Duke sideline when Kentucky's Sam Smith, all 6 feet 2 inches (1.86 meters) of the coach's son, hunkered himself into the 6-foot-8 Shaquille O'Neal to block what looked like a certain dunk. It was a foul — a hard foul.

On the sideline, the Blue Devils' coach, Mike Krzyzewski, vaulted from his seat and stalked down the hardwood right past the officials. He did not have a beef with them. "Don't let them do that to you, don't let them do that!" he said to Butler, Tapan Langdon and whatever other Blue Devil answered his glare.

In the first game of the doubleheader,

From that moment, the No. 2-ranked Blue Devils nuked bullies. They took what was a lackadaisical 4-point lead and banged it against their elbows for a 71-60 victory. It was a hard-nosed but not hard-hearted effort at the Jimmy V. Classic.

By kicking up dirt underneath what was often an aerial ballet, Duke (11-1) ground the nation's No. 3 team in bruising, punishing fashion. The Blue Devils blocked eight shots. They out-muscled the Wildcats (10-2) on the backboard, squeezing 45 rebounds to Kentucky's 36. They committed 22 fouls, with their promising freshman, Corey Maggette, picking up his fifth and final dentroit early in the second half.

Every time the No. 3 Wildcats threatened, Duke invited them back into the mud pit to scum some more.

In the first game of the doubleheader,

whose purpose was to raise money for cancer research in the name of Jimmy Valvano — the former Iona and North Carolina State coach who died in 1993 — Pundit hammered South Carolina, 80-64.

*The Associated Press reported:*  
Georgia Tech 66, No. 7 North Carolina 44 Georgia Tech, coming off a 41-point loss to Kentucky, rebounded with a stunning upset in Atlanta. The Yellow Jackets (8-2, 1-0 Atlantic Coast Conference) won even though they failed to make a field goal in the final eight minutes. Georgia Tech led, 62-50, after Alvin Jones hit a turnaround jumper, but managed only four free throws the rest of the way. North Carolina (12-2, 0-1) cut Tech's lead to 66-63 with 3:52 left on Max Owens' 3-pointer, but couldn't complete the comeback.



Kentucky's Heshimu Evans getting past Duke's William Avery.

**The Global Ambitions****Adding Another Layer to the World Tour**

*The Associated Press*

**ORLANDO**, Florida — Nick Price never paid attention to the Ryder Cup, and not just because the only golf he could watch as a teenager was grainy film that was shipped to Rhodesia and shown at the club on Friday nights.

"It meant nothing to me," Price said. "I didn't grow up having a chance to play on the Ryder Cup team, so it was never a contest. I went fishing."

Chances are, Price will never play in a Ryder Cup. But 10 years or so down the road, it's not hard to picture Price as

**GOLF**

captain of an international team that takes on Lee Westwood, Sergio Garcia and the rest of the Europeans at The Belfry.

Many golfers feel that it is bound to happen sooner or later. "I think there's room for it, and I don't think it would devalue the Ryder Cup," Westwood said shortly after the international team beat the Yanks.

As Jack Nicklaus said in Australia at closing ceremonies of the Presidents Cup, fresh off the worst rout the United States has endured. "We used to think golf was only played in the United States. We didn't even invent it. I'm not even sure how well we play it anymore."

The comment was tongue-in-cheek, but the point was unmistakable. Golf is as global as it ever has been.

And now that the five major tours worldwide have joined forces to promote the World Golf Championship series that starts in February and will travel to Spain, Asia and Australia the

next three years, it will get even bigger. Big enough even for the Ryder Cup — or the Presidents Cup — to make room for someone else.

One suggestion is to have the winner of the Presidents Cup play the winner of the Ryder Cup. Of course, the way the Americans have played lately, they could find themselves taking off every other year. And who's to say the International team won't find it difficult to get motivated for the matches year in and year out?

"The hard thing for the Americans is they really don't have a break," Australia's Craig Parry said. "We've got something to really go out and play for. The Presidents Cup means something to our team."

It also means something to the Americans, although clearly not as much as the Ryder Cup. It is not as if they went down to Port Phillip Bay and cried, which is what Mark Calcavecchia did after blowing his singles match in the 1991 Ryder Cup at Kiawah Island.

"Heck, it's almost Christmas time," Calcavecchia said. "We'll get over it."

Any kind of merger would require the blessing of the PGA Tour commissioner, Tim Fincham, who created the Presidents Cup, and the PGA of America, which runs the Ryder Cup. For now, Fincham would like to see both events keep their own identity.

"I would never say never to anything, but I do think that kind of structure would be a little bit unwieldy and might take a while to accommodate," Fincham said. "But that's something we may start talking about in a few years. We'll see what happens."

**NBA Nears Abyss of Canceling the Season**

By Mike Wise  
New York Times Service

**NEW YORK** — Fearing that it would hurt negotiations with the players union, Commissioner David Stern has steadfastly refused to issue a so-called drop-dead date that would signal the cancellation of the entire 1998-99 National Basketball Association season.

But as the league's contentious labor dispute moves toward its sixth month without resolution, it appears that such a date is within days of being announced.

League officials are considering a date for a special Board of Governors meeting to be convened the first week of

January in New York. The main item on the agenda is a vote of representatives from the 29 teams on whether to terminate what is left of the season.

"At some point, we'll have to have a board meeting to cancel the season," said Russ Granik, the league's deputy commissioner. "I don't know if you would call that a drop-dead date, but I guess some people will take it that way."

Granik refused to specify the date of the meeting or say when the season would be canceled if the two sides failed to negotiate a new collective bargaining agreement. The final decision rests with Stern, who is vacationing in Aspen, Colorado, and is not planning to return until next week.

No new talks have been scheduled, although Bill Hunter, the union's executive director, was planning to speak to Stern over the next couple of days, a union official said.

The owners and players are battling over how to share \$2 billion in revenue.

Meanwhile, Kevin Willis of the Toronto Raptors became the second player to publicly support an owners' proposal forwarded to the players last week by Stern. In an interview with The Associated Press, Willis called for players to vote on the proposal by secret ballot. "The majority would vote for the owners' latest proposal, just to start playing ball again," Willis said.

**Bankruptcy Rocks Women's Basketball**

*Washington Post Service*

**WASHINGTON** — The American Basketball League, the third-year women's pro league that offered a rival to the Women's National Basketball Association, has announced that it is bankrupt and has suspended operations.

The news left 90 players and dozens of coaches, general managers and staff members from its nine teams unemployed, and it left the WNBA, whose season takes place in the summer, the only remaining women's pro basketball league in the United States.

**Coyotes Clip the Slumping Red Wings With a 6-2 Victory**

*The Associated Press*

**LITTLETON**, Colorado — Like the Dallas Stars, the Phoenix Coyotes have the attention of the Detroit Red Wings. Phoenix is another Western Conference team giving the Red Wings a tough time these days.

The Coyotes made their presence felt Tuesday night in Detroit with a 6-2 victory over the two-time defending

Of more immediate concern to the Red Wings is their three-game losing streak and 4-10 mark against teams with 50% or better records.

"Everything's going wrong right now, and it's getting beyond the point where you can say it's early," said Detroit's captain, Steve Yzerman. "We have to start playing a lot more competitively against the better teams."

Dallas Drake, Keith Tkachuk and Roenick each had a goal and an assist as the Coyotes won their second straight after their first two-game losing streak of the season.

Juha Ylonen, Teppo Numminen and Bob Corkum also scored for the Coyotes, who moved within two points of the idle Stars for first in the Pacific Division and first overall in the NHL.

Kings 3, Penguins 0 Jamie Storr stopped 25 shots and Glen Murray scored one goal and set up another in 27 seconds as Los Angeles beat Pittsburgh and handed Larry Robinson his 100th victory in four years as the Kings' coach. The shutout was the second of the season for Storr and third of his career. He made his toughest save six minutes into the second period when he kicked out his right pad to stop Jaromir Jagr.

Islanders 3, Blues 3 Todd Gill spoiled Zigmund Palffy's return to the New York Islanders with his first goal of the season with six minutes left, giving St. Louis a tie at Nassau Coliseum. Palffy, playing his first game since ending a long holdout, assisted on two goals. Palffy, the Islanders' top goal scorer the last three seasons, signed a five-year deal for \$25 million to end a sometimes acrimonious contract battle with the team. Scott Pellerin and Marty Reasoner also scored for the Blues.

**MIGHTY DUCKS 1, AVALANCHE 0** Dominic Roussel stopped 45 shots for his first victory in more than two years, and Jeff Nielsen scored his first goal of the season as Anaheim won at Colorado. Roussel, who last won on March 22, 1996, outdueled Colorado's goalie, Patrick Roy, who made 20 saves, but had a hand in Nielsen's goal. Roy sent a blind cross-ice clearing pass right onto Nielsen's stick, and he sent a wrist shot into the net at 5:10 of the second period.

**CANUCKS 5, FLAMES 3** At Calgary, Harry York's goal and two assists led Vancouver over the Flames in a game marred by a head injury to the Canucks' captain, Mark Messier. Messier was injured on his second shift when he crashed into the Flames' net after scoring a goal at 3:36 of the first period. He was helped off the ice after about two minutes. He was the 11th goal of the season for Messier.

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## ART BUCHWALD

## Sharing the Pain

**N**EW YORK — Dear Miss Know-It-All: My mother says I have to thank people who send me Christmas cards. I think she has been eating too much fruitcake. Please advise that she is wrong. — Buffie Carsairs.

**Dear Buffie:** Unfortunately, your mother is right. You have to thank someone who sends you a card. The Christmas card is a sacred document, and good manners dictate it has to be acknowledged as part of our holiday festivities. Here is a sample thank-you letter:



Dear Miss Know-It-All: I work in the same office with a girl named Alice. Our boss gave me a plastic wallet and Alice a trip to Bermuda. Is there something wrong with this? — Sally Chaffe.

**Dear Sally:** I'm sure your boss knows what he's doing. If you would send me a photo of yourself and one of Alice I might be able to get to the bottom of the puzzle. Besides, Bermuda is rather cold this time of year.

**Dear Miss Know-It-All:** All my friends say there is no Santa Claus. What gives? — Virginia Thor.

**Dear Virginia:** If their parents worked for Boeing, CiiCorp, Mobil-Exon or any of the other companies that recently merged, your friends are right.

## Kurosawa's Last Script to Be Filmed

New York Times Service

**T**OKYO — Akira Kurosawa's final script will come to the screen next year, according to plans announced here by his children and staff.

They said that "Ame Agaru" (Rain Stops), to be made with French financial assistance, would begin filming in April and that they hoped it would be ready for a premiere at the Venice Film Festival in September, one year after the acclaimed director's death of a stroke at 88.

Based on a novel by Shugoro Yamamoto and bearing parallels to Japan's current economic problems, the film is a love story about a penniless samurai and his wife in the 18th century, when Japan paid for the excesses of the period that preceded it.

The production is to be supervised by Takahashi Koizumi, who was an assistant to Kurosawa for nearly 30 years, and will draw on the talents of others long associated with the filmmaker.

## Geena Davis Finds Her Own Act Hard to Follow

By James Sterngold  
New York Times Service

**L**OS ANGELES — A lively debate over what might have seemed an innocuous line of dialogue broke out one day on the set of "Stuart Little," a movie based on E.B. White's classic 1945 children's book about a family whose new son turns out to be a mouse.

A throwback to this gentler era, the Little family is "from the polite planet," explained Hugh Laurie, the British actor who plays the man of the house. And so in one scene, as his devoted wife hovers over the washing machine, Little observes, "Dear, you look beautiful when you're doing the laundry."

That was when the trouble started.

Mrs. Little, as it turns out, is being portrayed by Geena Davis, an actress known less for her way with ring-around-the-collar than for man-stomping roles in films like "Thelma and Louise" and "The Long Kiss Goodnight."

Indeed, Davis has insisted throughout her career that her characters be strong, unconventional and independent — not the type, in other words, who do a lot of laundry and, if they do, sit still when it makes them look attractive.

"The line will not be in the movie," Rob Minkoff, the film's director, said tersely of the outcome of the discussions.

Davis, the Academy Award-winning actress is back, or at least working at a comeback after a two-year hiatus and a divorce. And she has made it clear that she is willing to play just about anything — except a weakling. The scene in her new movie symbolizes the critical juncture where Davis, who is 41, stands.

This will not be an easy venture. For one, although she is tall and striking, her age precludes her from playing the sort of sexy roles reserved for younger women. Further, she is struggling to make herself into a star who can open a major picture, both in action roles



Geena Davis, 41, is willing to play almost any role, except a weakling.

and as a comedic or dramatic actress.

"Big action movies are geared mostly to teenaged boys, and very few actresses in their late 30s or early 40s can turn on that audience," said Lynda Obst, a producer of films like "The Fisher King" and "Sleepless in Seattle." "I'm just hoping that the whole culture is turning French. Maybe the idea of a really sexy 41-year-old woman won't be so alien in the movies. There are a lot of really good actresses coming into that age, and I think this may be a transitional time. But they have to make smart choices."

Davis concedes that her own choices in the past few years have not worked out, and it has been an unusually long two years since Davis has even made a picture — a time she said she needed for reflection after a difficult divorce from the Finnish action-movie director Renny Harlin, her third husband.

Davis had built her reputation on quirky, comic parts like the love-struck dog trainer Muriel Pritchett in "The Accidental Tourist" (1988), for which she won her Oscar as best supporting actress.

But after marrying Harlin in 1993, she veered in another direction and tried to carry several big-budget

action films that failed. Harlin directed her in "Cutthroat Island," and "The Long Kiss Goodnight."

Now she is single again, and she said that while she was willing to go back to comedy and quirkiness, she would not relinquish her hard-won strength. Davis reportedly took a big cut in her fee — to something in the neighborhood of \$1 million — to star as a mother committed to her darling son Stuart (the voice of Michael J. Fox), who happens to be smart, adventurous, debonair — and a rodent.

"It's not that I have to be a hero, but definitely interesting and determining my own fate," insisted Davis, who is both athletic and intelligent, pointing out that she's a member of Mensa, a society for those with high IQs.

It has been a decade since Davis went for loopy characters like the dizzy maniacist in "Earth Girls Are Easy" (1989). Increasingly, she had been trying to do movies that made a point, motivated by the unexpected success in 1991 of "Thelma and Louise," a Ridley Scott film with startling role reversals.

In that almost elegiac road movie,

Davis and Susan Sarandon follow a path of violence and destruction that was once the exclusive domain of brash and reckless male characters. And the following year there was the success of "A League of Their Own," about a women's baseball team, in which Davis played Dottie Hinson, a "Gary Cooper type character," as she put it.

"Thelma and Louise" had a tremendous impact on me as a person," Davis said. "It was so different to have people come up to me and say, 'You changed my life.' I thought, 'This is really cool.' And to follow that up with 'League of Their Own,' that was like a double whammy. It definitely colored what followed after that."

"I wanted to be in movies where I do something cool, cool where I'm super virtuous, but where I make my own decisions. After 'Thelma and Louise,' I took on more responsibility for what I was doing

and a desire to choose parts where women could feel free to identify with my character."

Davis went on to many Harlin and consciously pursued parts that seemed, if not role models, then parts in which the women stood for something. But things did not go as planned.

The last time audiences saw her was in the 1996 film "The Long Kiss Goodnight," when she acted out a sort of feminist fantasy gone berserk. After recovering a lost memory, her character is transformed from Samantha Caine, a model mother with a busy baking schedule, into Charly Baltimore, a brutal assassin who throttles and shoots to death an assortment of antagonists — even a deer.

"I mean, who knows for sure why a film doesn't work?" said Joel Michaels, a producer of the disastrous "Cutthroat Island." "One can only conjecture, but I think the audience didn't want to see a woman in a role that has traditionally been held by a man. What woman in the annals of film has been a consistent action star?"

These days Davis looks a lot like Samantha Caine again. Not an Uzi in sight, she is a perfect mother, deep in honeyed domesticity.

"Stuart Little," which will cost more than \$50 million because of the computerized animation that will be required to create the urbane Smart, is expected to be a major Christmas release next year for Columbia Pictures.

On a recent day on the set here, Davis was philosophical about where she had been, but unrelenting in her insistence that she would not play the sort of female roles that, as she frequently put it, were embarrassing to other women because they were so deferential.

"I don't go back and second-guess my choices," said Davis of her foray into action films. "It's all about making endless choices, large and small. You have to keep moving on. The only thing I had planned for my next parts was definitely not doing action."

## PEOPLE

**B**RITISH Airways has announced that it is lifting a nine-year ban on the author Salman Rushdie from flying on its airplanes. BA refused to carry Rushdie on security grounds after Iran placed a death sentence on the author of the "The Satanic Verses," deemed blasphemous by Iran. BA said it would be happy to carry Rushdie after Jan. 1. In September, Iran said it would not carry out the death threat and disassociated itself from a bounty of \$2.5 million.

**R**obin Williams, whose movie "Patch Adams" is to open in the United States on Christmas, got his chance to immortalize his hands and feet in cement in the courtyard of Mann's Chinese Theatre. Hundreds of fans cheered as the comic actor put on the red nose he wears in the movie and placed his hands in the wet cement.

**C**harton Heston has apologized to Mike Wallace for "unloading" on "60 Minutes." "It's an accurate segment, just

as you told me, although my 7-year-old grandson burst into tears at one point, exclaiming, 'Did Ba do something bad?' I'm afraid I did, Mike. I'm sorry," Heston wrote Wallace after seeing the television show's segment profiling the actor last Sunday. In a Guns & Ammo magazine essay, Heston accused the CBS news show of "SWAT-team journalism" and of joining the pattern of "character assassination" that he says he has faced since he became president of the National Rifle Association. At the time he wrote the essay, Hestoo had not seen the show. The apology "was a classy thing to do," Wallace said.

**J**ohn Fiore, 38, has been named chief conductor of the German cities of Dusseldorf and Duisburg, starting next season. In joining their Deutsche Oper Am Rhein, he will replace Zoltan Pesko.

**K**ing Simeon II of Bulgaria arrived in Sofia with his Spanish wife, Margarita, and daughter Katina, to spend

his first Christmas in his homeland since fleeing it as a child in 1946. Simeon, 61, lives in Madrid and works as a business consultant.

An Italian fashion designer was seen

## '3 Tenors' Organizer Sentenced to Prison

The Associated Press

**M**ANNHEIM, Germany — Matthias Hoffmann, an organizer of the popular "Three Tenors" concerts, has been sentenced to five years and eight months in prison for evading \$9 million in taxes.

Hoffmann had "grossly worked to his own advantage," in funneling money from concerts through paper companies set up outside Germany "to enrich himself," Chief Judge Michael Meyer said in handing down the sentence in a court in Mannheim.

The tenors — Luciano Pavarotti, Jose Carreras and Placido Domingo — were named last month as suspects in helping Hoffmann evade taxes, as was the soprano Montserrat Caballe. They are being investigated.

Hoffmann claimed during the trial that he was a victim of poor tax advisers, but Meyer rejected that defense, saying the advisers had repeatedly warned Hoffmann he was using illegal methods.

Hoffmann was released after posting a bond of about \$1 million. The defense lawyers said they would decide within a week whether to appeal.

Robin Williams at the ceremony at Mann's Chinese Theatre.



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